

HOUSE BILL No. 6077

May 18, 2006, Introduced by Rep. Brown and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4s (MCL 205.94s), as added by 1999 PA 117.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4s. (1) For taxes levied after June 30, 1999, the tax
2 levied under this act does not apply to property purchased by a
3 person engaged in the business of constructing, altering,
4 repairing, or improving real estate for others to the extent that
5 the property is affixed to and made a structural part of a
6 nonprofit hospital or a nonprofit housing entity qualified as
7 exempt under section 15a of the state housing development authority
8 act of 1966, 1966 PA 346, MCL 125.1415a. **AS USED IN THIS SECTION,**
9 **"AFFIXED TO AND MADE A STRUCTURAL PART OF" MEANS ANY PHYSICAL**

1 CONNECTION TO AN EXISTING NONPROFIT HOSPITAL OR A NONPROFIT HOUSING
2 ENTITY QUALIFIED AS EXEMPT UNDER SECTION 15A OF THE STATE HOUSING
3 DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1415A.

4 (2) An exemption shall not be granted under this section for
5 any portion of property otherwise qualifying for exemption under
6 this section if income or a benefit inures directly or indirectly
7 to an individual, private stockholder, or other private person from
8 the independent or nonessential operation of that portion of
9 property.

10 (3) As used in this section:

11 (a) "Nonprofit hospital" means 1 of the following:

12 (i) That portion of a building to which 1 of the following
13 applies:

14 (A) Is owned or operated by an entity exempt under section
15 501(c)(3) of the internal revenue code, ~~of 1986~~ 26 USC 501, that
16 is licensed as a hospital under part 215 of the public health code,
17 1978 PA 368, MCL 333.21501 to ~~333.21568~~ 333.21571.

18 (B) Is owned or operated by a governmental unit in which
19 medical attention is provided.

20 (C) Is owned or operated by an entity or entities exempt under
21 section 501(c)(2) or (3) of the internal revenue code, ~~of 1986~~ 26
22 USC 501, in which medical attention is provided.

23 (ii) That portion of real property necessary and related to a
24 building described in subparagraph (i) in which medical attention is
25 provided.

26 (iii) A county long-term medical care facility built after
27 December 31, 1995, INCLUDING ANY ADDITION TO AN EXISTING COUNTY

1 LONG-TERM MEDICAL CARE FACILITY, IF THE ADDITION IS OWNED AND
 2 OPERATED BY EITHER THE COUNTY OR THE COUNTY LONG-TERM MEDICAL CARE
 3 FACILITY, REGARDLESS OF WHETHER THE ADDITION IS LICENSED AS A
 4 NURSING HOME OR SKILLED NURSING FACILITY UNDER PART 217 OF THE
 5 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21701 TO 333.21799E, OR
 6 WHETHER THE ADDITION MEETS THE REQUIREMENTS SET FORTH IN SUBSECTION
 7 (1).

8 (b) "Nonprofit hospital" does not include the following:

9 (i) A freestanding building or other real property of a nursing
 10 home or skilled nursing facility licensed under part 217 of the
 11 public health code, 1978 PA 368, MCL 333.21701 to 333.21799e.

12 (ii) A hospice licensed under part 214 of the public health
 13 code, 1978 PA 368, MCL 333.21401 to ~~333.21421~~ 333.21420.

14 (iii) A home for the aged licensed under part 213 of the public
 15 health code, 1978 PA 368, MCL 333.21301 to ~~333.21333~~ 333.21335.

16 (c) "Medical attention" means that level of medical care in
 17 which a physician provides acute care or active treatment of
 18 medical, surgical, obstetrical, psychiatric, chronic, or
 19 rehabilitative conditions, that require the observation, diagnosis,
 20 and daily treatment by a physician.

21 Enacting section 1. This amendatory act is retroactive and is
 22 effective for taxes levied after June 30, 1999.