

HOUSE BILL No. 5738

August 27, 2014, Introduced by Rep. Graves and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
(MCL 205.51 to 205.78) by adding section 4ff.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4FF. (1) SUBJECT TO SUBSECTION (2), A PERSON SUBJECT TO
2 THE TAX UNDER THIS ACT MAY EXCLUDE FROM THE GROSS PROCEEDS USED FOR
3 THE COMPUTATION OF THE TAX THE SALE OF ANY OF THE FOLLOWING ITEMS
4 IF THE SALE IS MADE BETWEEN 12:01 A.M. ON AUGUST 1 AND 11:59 P.M.
5 ON AUGUST 31 EACH YEAR:

6 (A) CLOTHING IF THE SALES PRICE OF EACH INDIVIDUAL ITEM IS NOT
7 GREATER THAN \$75.00.

8 (B) SCHOOL SUPPLIES IF THE SALES PRICE OF EACH INDIVIDUAL ITEM
9 IS NOT GREATER THAN \$15.00.

1 (C) A PERSONAL COMPUTER PURCHASED FOR NONCOMMERCIAL HOME OR
2 PERSONAL USE, IF THE SALES PRICE, LESS ANY MANUFACTURER'S REBATE,
3 OF EACH INDIVIDUAL PERSONAL COMPUTER IS NOT GREATER THAN \$750.00.

4 (D) A PERSONAL COMPUTER ACCESSORY PURCHASED FOR NONCOMMERCIAL
5 HOME OR PERSONAL USE, IF THE SALES PRICE, LESS ANY MANUFACTURER'S
6 REBATE, OF EACH INDIVIDUAL PERSONAL COMPUTER ACCESSORY IS NOT
7 GREATER THAN \$750.00.

8 (2) THE EXEMPTION IN SUBSECTION (1) DOES NOT APPLY TO THE
9 FOLLOWING:

10 (A) CLOTHING ACCESSORIES OR EQUIPMENT.

11 (B) PROTECTIVE, SPORT, OR RECREATIONAL EQUIPMENT.

12 (C) ANY ITEM SOLD FOR USE IN A TRADE OR BUSINESS.

13 (D) FURNITURE.

14 (3) AS USED IN THIS SECTION:

15 (A) "CLOTHING" MEANS ANY ARTICLE OF WEARING APPAREL, INCLUDING
16 ALL FOOTWEAR, INTENDED TO BE WORN ON OR ABOUT THE HUMAN BODY.

17 (B) "CLOTHING ACCESSORIES OR EQUIPMENT" MEANS INCIDENTAL ITEMS
18 WORN ON THE PERSON OR IN CONJUNCTION WITH CLOTHING, INCLUDING, BUT
19 NOT LIMITED TO, WATCHES, WATCHBANDS, JEWELRY, UMBRELLAS, OR
20 HANDKERCHIEFS.

21 (C) "MONITOR" DOES NOT INCLUDE A DEVICE THAT INCLUDES A
22 TELEVISION TUNER.

23 (D) "PERSONAL COMPUTER" MEANS AN ELECTRONIC DEVICE THAT
24 ACCEPTS INFORMATION IN DIGITAL OR SIMILAR FORM AND MANIPULATES THAT
25 INFORMATION FOR A RESULT BASED ON A SEQUENCE OF INSTRUCTIONS.
26 PERSONAL COMPUTER INCLUDES, BUT IS NOT LIMITED TO, AN ELECTRONIC
27 BOOK READER OR A LAPTOP, DESKTOP, HANDHELD, TABLET, OR TOWER

1 COMPUTER. PERSONAL COMPUTER DOES NOT INCLUDE A CELLULAR TELEPHONE,
2 VIDEO GAME CONSOLE, DIGITAL MEDIA RECEIVER, OR ANY OTHER DEVICE NOT
3 PRIMARILY DESIGNED TO PROCESS DATA.

4 (E) "PERSONAL COMPUTER ACCESSORY" INCLUDES A KEYBOARD, MOUSE,
5 PERSONAL DIGITAL ASSISTANT, MONITOR, PERIPHERAL DEVICE, MODEM,
6 ROUTER, AND NONRECREATIONAL SOFTWARE, REGARDLESS OF WHETHER THE
7 PERSONAL COMPUTER ACCESSORY IS USED IN ASSOCIATION WITH A PERSONAL
8 COMPUTER. PERSONAL COMPUTER ACCESSORY DOES NOT INCLUDE ANY SYSTEM,
9 DEVICE, SOFTWARE, OR PERIPHERAL DEVICE THAT IS DESIGNED OR INTENDED
10 PRIMARILY FOR RECREATIONAL USE.

11 (F) "PROTECTIVE, SPORT, OR RECREATIONAL EQUIPMENT" MEANS ITEMS
12 DESIGNED FOR HUMAN USE AND WORN IN CONJUNCTION WITH AN ATHLETIC OR
13 RECREATIONAL ACTIVITY AND THAT ARE NOT SUITABLE FOR GENERAL USE,
14 INCLUDING, BUT NOT LIMITED TO, SKIS, SWIM FINS, ROLLERBLADES, AND
15 SKATES.

16 (G) "SCHOOL SUPPLIES" MEANS PENS, PENCILS, ERASERS, CRAYONS,
17 NOTEBOOKS, NOTEBOOK FILLER PAPER, LEGAL PADS, BINDERS, LUNCH BOXES,
18 CONSTRUCTION PAPER, MARKERS, FOLDERS, POSTER BOARD, COMPOSITION
19 BOOKS, POSTER PAPER, SCISSORS, CELLOPHANE TAPE, GLUE, PASTE,
20 RULERS, COMPUTER DISKS, PROTRACTORS, COMPASSES, CALCULATORS, AND
21 SIMILAR ITEMS.