

HOUSE BILL No. 6082

December 4, 2014, Introduced by Rep. Farrington and referred to the Committee on Tax Policy.

A bill to provide for the levy, assessment, and collection of an excise tax on certain services; to appropriate the proceeds; to prescribe certain powers and duties of certain state departments; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "transportation reliant services tax act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of treasury.

5 (b) "NAICS" means North American industry classification
6 system, 2012 as produced by the United States office of management
7 and budget.

8 (c) "Person" means an individual, firm, partnership, joint

1 venture, association, social club, fraternal organization,
2 municipal or private corporation whether or not organized for
3 profit, company, limited liability company, estate, trust,
4 receiver, trustee, syndicate, the United States, this state, any
5 political subdivision of this state, or any other group or
6 combination acting as a unit, unless the intention to give a more
7 limited meaning is indicated by the context.

8 (d) "Transportation reliant services" means both of the
9 following:

10 (i) Couriers and express delivery services, as described in
11 NAICS industry code 492110.

12 (ii) Professional athletic associations or leagues, as
13 described in the NAICS industry code 813990.

14 Sec. 5. (1) The use or consumption of transportation reliant
15 services shall be taxed under this act at a rate of 6% of the price
16 of that service provided. The tax shall be imposed based upon the
17 description of the service provided as described in the applicable
18 NAICS code and not based on the classification of the person
19 providing the service.

20 (2) The tax imposed shall be collected at the same time and in
21 the same manner as the tax imposed by the use tax act, 1937 PA 94,
22 MCL 205.91 to 205.111.

23 Sec. 7. A person engaged in the business of performing or
24 delivering transportation reliant services that are subject to the
25 tax under this act shall register with the department and give the
26 name and address of each agent operating in this state, the
27 location of all distribution or sales houses or offices or other

1 places of business in this state, and any other information the
2 department requires relevant to the enforcement of this act.

3 Sec. 9. (1) The transportation reliant services tax imposed by
4 this act shall be administered by the department of treasury under
5 1941 PA 122, MCL 205.1 to 205.31, and this act. If the provisions
6 of 1941 PA 122, MCL 205.1 to 205.31, and this act conflict, the
7 provisions of this act shall apply.

8 (2) The department shall prescribe the forms necessary for the
9 administration of this act and may promulgate rules to implement
10 this act under the administrative procedures act of 1969, 1969 PA
11 306, MCL 24.201 to 24.328.

12 Sec. 11. A person who fails, neglects, or refuses to collect
13 the tax as required by this act, or fails, neglects, or refuses to
14 comply with the provisions of this act, is guilty of a misdemeanor
15 punishable by a fine of not less than \$100.00 or more than \$500.00,
16 and upon a second or subsequent offense a fine of not less than
17 \$500.00 or more than \$5,000.00 or imprisonment for not more than 1
18 year, or both.

19 Sec. 13. The department shall distribute all money collected
20 under this act as follows:

21 (a) 39.1% to the state trunk line fund established under
22 section 11 of 1951 PA 51, MCL 247.661.

23 (b) 39.1% to the county road commissions of the state.

24 (c) 21.8% to the cities and villages of the state.