

SENATE BILL No. 106

February 12, 2015, Introduced by Senators GREEN, COLBECK, HORN, BRANDENBURG, MARLEAU, O'BRIEN, HANSEN, BOOHER, ROCCA, ZORN, ROBERTSON and PAVLOV and referred to the Committee on Finance.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4o (MCL 205.54o), as amended by 2004 PA 173.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4o. (1) The sale of tangible personal property for fund-
2 raising purposes by a school, church, hospital, parent cooperative
3 preschool, or nonprofit organization that has a tax exempt status
4 under section 4q(1)(a) or (b) and that has aggregate sales at
5 retail in the calendar year of less than \$5,000.00 are exempt from
6 the tax under this act.

7 (2) A club, association, auxiliary, or other organization
8 affiliated with a school, church, hospital, parent cooperative
9 preschool, or nonprofit organization with a tax exempt status under
10 section 4q(1)(a) or (b) is not considered a separate person for
11 purposes of this exemption. As used in this section, "school" means

1 each elementary, middle, junior, or high school site within a local
2 school district that represents a district attendance area as
3 established by the board of the local school district.

4 (3) EXCEPT AS OTHERWISE LIMITED UNDER THIS SUBSECTION, THE
5 SALE OF TANGIBLE PERSONAL PROPERTY BY A VETERANS' ORGANIZATION THAT
6 IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(19) OF THE
7 INTERNAL REVENUE CODE, 26 USC 501, FOR THE PURPOSE OF RAISING FUNDS
8 FOR THE BENEFIT OF AN ACTIVE DUTY SERVICE MEMBER OR A VETERAN IS
9 EXEMPT FROM THE TAX UNDER THIS ACT. THE EXEMPTION UNDER THIS
10 SUBSECTION IS LIMITED TO \$25,000.00 IN AGGREGATE SALES OF TANGIBLE
11 PERSONAL PROPERTY FOR EACH INDIVIDUAL FUND-RAISING EVENT. A CLUB,
12 ASSOCIATION, AUXILIARY, OR OTHER ORGANIZATION AFFILIATED WITH A
13 VETERANS' ORGANIZATION THAT IS EXEMPT FROM FEDERAL INCOME TAX UNDER
14 SECTION 501(C)(19) OF THE INTERNAL REVENUE CODE, 26 USC 501, IS NOT
15 CONSIDERED A SEPARATE PERSON FOR PURPOSES OF THIS EXEMPTION. AS
16 USED IN THIS SUBSECTION:

17 (A) "ACTIVE DUTY" MEANS ACTIVE DUTY PURSUANT TO AN EXECUTIVE
18 ORDER OF THE PRESIDENT OF THE UNITED STATES, AN ACT OF CONGRESS, OR
19 AN ORDER OF THE GOVERNOR.

20 (B) "ARMED FORCES OF THE UNITED STATES" MEANS THE ARMY, AIR
21 FORCE, NAVY, MARINE CORPS, COAST GUARD, OR OTHER MILITARY FORCE
22 DESIGNATED BY CONGRESS AS A PART OF THE ARMED FORCES OF THE UNITED
23 STATES.

24 (C) "SERVICE MEMBER" MEANS A MEMBER OF THE ARMED FORCES OF THE
25 UNITED STATES, A RESERVE BRANCH OF THE ARMED FORCES OF THE UNITED
26 STATES, OR THE NATIONAL GUARD.

27 (D) "VETERAN" MEANS ANY OF THE FOLLOWING:

1 (i) A PERSON WHO SERVED ON ACTIVE DUTY IN THE ARMED FORCES OF
2 THE UNITED STATES FOR A PERIOD OF MORE THAN 180 DAYS AND SEPARATED
3 FROM THE ARMED FORCES OF THE UNITED STATES IN A MANNER OTHER THAN A
4 DISHONORABLE DISCHARGE.

5 (ii) A PERSON DISCHARGED OR RELEASED FROM ACTIVE DUTY BECAUSE
6 OF A SERVICE-RELATED DISABILITY.

7 (iii) A MEMBER OF A RESERVE BRANCH OF THE ARMED FORCES OF THE
8 UNITED STATES AT THE TIME HE OR SHE WAS ORDERED TO ACTIVE DUTY
9 PURSUANT TO SUBTITLE E OF TITLE 10 OF THE UNITED STATES CODE, 10
10 USC 10001 TO 18506, WHO SERVED ON ACTIVE DUTY DURING A PERIOD OF
11 WAR, OR IN A CAMPAIGN OR EXPEDITION FOR WHICH A CAMPAIGN BADGE IS
12 AUTHORIZED, AND WAS RELEASED FROM ACTIVE DUTY IN A MANNER OTHER
13 THAN A DISHONORABLE DISCHARGE.