SUBSTITUTE FOR

SENATE BILL NO. 887

A bill to amend 1937 PA 94, entitled

"Use tax act,"

(MCL 205.91 to 205.111) by adding section 4ee.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 4EE. A PERSON ENGAGED IN THE BUSINESS OF CONSTRUCTING, ALTERING, REPAIRING, OR IMPROVING REAL ESTATE FOR OTHERS IS NOT LIABLE FOR THE TAX LEVIED UNDER THIS ACT FOR STORING, USING, OR CONSUMING TANGIBLE PERSONAL PROPERTY ACQUIRED FROM ANOTHER PERSON TO THE EXTENT THAT THE TANGIBLE PERSONAL PROPERTY WAS PURCHASED BY THAT OTHER PERSON AND THAT PERSON IS NOT EXEMPT FROM THE TAX LEVIED UNDER THIS ACT OR THE GENERAL SALES TAX ACT, 1933 PA 167, MCL 205.51 TO 205.78, AND THAT TANGIBLE PERSONAL PROPERTY WAS ACQUIRED BY THE PERSON ENGAGED IN THE BUSINESS OF CONSTRUCTING, ALTERING, REPAIRING, OR IMPROVING REAL ESTATE FOR OTHERS FOR THE SOLE PURPOSE

OF AFFIXING THAT TANGIBLE PERSONAL PROPERTY TO REAL ESTATE ON BEHALF OF THAT OTHER PERSON.

Enacting section 1. It is the intent of the legislature that this amendatory act clarifies that existing law as originally intended provides that the tax levied under this act does not apply to tangible personal property acquired by a person engaged in the business of installing tangible personal property if that tangible personal property is purchased by another for installation on behalf of that other person.