

# HOUSE BILL No. 5978

May 9, 2018, Introduced by Reps. Garrett, Love and Geiss and referred to the Committee on Regulatory Reform.

A bill to impose a state excise tax on persons engaged in the business of operating an adult entertainment facility; to provide for the levy, assessment, and collection of the tax; to provide for the disposition of the collections from the tax; and to prescribe the powers and duties of certain state officers.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the "adult  
2       entertainment tax act".

3       Sec. 3. As used in this act:

4       (a) "Adult entertainment facility" means a business,  
5       nightclub, bar, restaurant, or similar commercial enterprise at  
6       which a nude or partially denuded individual, regardless of whether  
7       the individual is an employee or an independent contractor of the

1 adult entertainment facility, performs a service on the premises of  
2 that facility.

3 (b) "Nude" or "partially denuded" means either of the  
4 following:

5 (i) Entirely unclothed.

6 (ii) Clothed in a manner that leaves uncovered or visible  
7 through less than fully opaque clothing any portion of the breasts  
8 below the top of the areola of the breasts, if the person is  
9 female, or any portion of the genitals or buttocks.

10 (c) "Person" means an individual, firm, limited partnership,  
11 limited liability partnership, copartnership, partnership, joint  
12 venture, association, corporation, subchapter S corporation,  
13 limited liability company, or other legal entity.

14 Sec. 5. (1) There is levied upon and shall be collected from a  
15 person engaged in the business of operating an adult entertainment  
16 facility an excise tax. The rate of the excise tax is \$3.00 for  
17 each entry by each customer admitted into the adult entertainment  
18 facility.

19 (2) The tax levied under this act is in addition to any other  
20 taxes, charges, or fees imposed by law on the operator.

21 (3) This section does not require the person operating an  
22 adult entertainment facility to impose a fee on a customer of the  
23 adult entertainment facility. The person operating an adult  
24 entertainment facility may determine the manner in which the adult  
25 entertainment facility derives the money required to pay the tax  
26 imposed by this act.

27 Sec. 7. (1) An excise tax under this act shall be collected at

1 the same time and in the same manner as the use tax pursuant to the  
2 use tax act, 1937 PA 94, MCL 205.91 to 205.111.

3 (2) The tax shall be administered by the revenue division of  
4 the department of treasury under 1941 PA 122, MCL 205.1 to 205.31.

5 Sec. 9. The collections from the tax imposed under this act  
6 shall be credited, upon appropriation, only for sexual abuse  
7 counseling in this state.