

SENATE BILL NO. 1144

September 24, 2020, Introduced by Senator HOLLIER and referred to the Committee on Economic and Small Business Development.

A bill relating to the promotion of convention business and tourism in this state; to provide for imposition and collection of an excise tax on the owners of certain short-term rentals; to provide for the disbursement of the excise tax; to establish the functions and duties of certain state departments and employees; and to prescribe penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "Pure
2 Michigan assessment act".

1 Sec. 2. As used in this act:

2 (a) "Owner" means the owner of a short-term rental located
3 within this state or, if the short-term rental is operated or
4 managed by a person other than the owner, then the owner agent of
5 that short-term rental.

6 (b) "Owner agent" means a person who operates or manages
7 property offered for short-term rental.

8 (c) "Pure Michigan assessment" means the excise tax assessed
9 on each short-term rental transaction under section 3.

10 (d) "Room charge" means the charge imposed for the use or
11 occupancy of a short-term rental, excluding charges for food,
12 beverages, use tax, telephone service or like services paid in
13 connection with the charge, and reimbursement of the Pure Michigan
14 assessment imposed by this act.

15 (e) "Short-term rental" means the rental of any single-family
16 residence or 1-to-4-family house or dwelling unit, or any unit or
17 group of units in a condominium, for terms of less than 28 days.

18 (f) "Use tax" means the tax imposed under the use tax act,
19 1937 PA 94, MCL 205.91 to 205.111.

20 Sec. 3. A statewide excise tax known as the Pure Michigan
21 assessment is levied on the room charge of each use or occupancy of
22 a short-term rental in this state. The rate of the Pure Michigan
23 assessment is 5% of the room charge.

24 Sec. 4. The Pure Michigan assessment imposed by this act shall
25 be collected at the same time and in the same manner as the tax
26 imposed by the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

27 Sec. 5. (1) The Pure Michigan assessment imposed by this act
28 shall be administered by the state treasurer under 1941 PA 122, MCL
29 205.1 to 205.31.

1 (2) The state treasurer shall prescribe the forms necessary
2 for the administration of this act and may promulgate necessary
3 rules under the administrative procedures act of 1969, 1969 PA 306,
4 MCL 24.201 to 24.328.

5 (3) The Pure Michigan assessment imposed under this act is in
6 addition to any other tax, fee, or assessment imposed by law.

7 Sec. 6. An owner of a short-term rental may reimburse himself
8 or herself by adding the amount of the Pure Michigan assessment to
9 the room charge charged to short-term rental guests only if the
10 owner or owner agent discloses it on the bill or receipt provided
11 to the short-term rental guest.

12 Sec. 7. Proceeds from the collection of the Pure Michigan
13 assessment imposed by this act shall be deposited in the state
14 treasury, credited to a restricted account, and shall, upon
15 appropriation, be used by the Michigan strategic fund and the
16 Michigan economic development corporation only for the promotion of
17 this state through the Pure Michigan campaign.

18 Enacting section 1. This act does not take effect unless
19 Senate Bill No. 1145 of the 100th legislature is enacted into
20 law.