EXCISE TAX ON BUSINESS OF PROVIDING ACCOMMODATIONS
Act 263 of 1974

AN ACT to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974.

Popular name: Accommodations Tax Act

The People of the State of Michigan enact:

141.861 Definitions.

Sec. 1. As used in this act:

(a) "Accommodations" means the room or other space provided for sleeping, including furnishings and other accessories therein. Accommodations do not include food and beverages.

(b) "Administrator" means the official designated by the county to collect the tax and to administer and enforce the ordinance.

(c) "Convention and entertainment facilities" means all or any part, or any combination of convention halls, auditoriums, stadiums, music halls, arenas, meeting rooms, exhibit areas, and related public areas.

(d) "Person" means a natural person, partnership, fiduciary, association, corporation, or other entity.

(e) "Revenues" means the income derived from the tax, plus interest and penalties imposed by this act, levied and assessed under an ordinance adopted pursuant to this act.

(f) "Transient guest" means a natural person staying less than 30 consecutive days.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974.

Popular name: Accommodations Tax Act

141.862 Excise tax on persons engaged in business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; exempt accommodations; amendment or repeal of ordinance; tax rate; compliance with subsection (1).

Sec. 2. (1) The county board of commissioners of a county having a population of less than 600,000 persons, and having a city of at least 40,000 population may enact an ordinance to levy, assess, and collect an excise tax from all persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes, except in hospitals or nursing homes, to transient guests, whether or not membership is required for the use of the accommodations.

(2) If a county meets the requirements of subsection (1) on the date it enacts an ordinance under this act and, after the 1990 decennial census, the county has a population of less than 120,000 persons and has a city with a population of 35,000 or more persons, that county may continue to levy, assess, and collect the excise tax under this act until October 1, 1991.

(3) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city in which the majority of the population of that city reside in an adjoining county, then the accommodation is exempt from the tax under this act.

(4) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city with a population of less than 5,000 persons, then the accommodation is exempt from tax under this act.

(5) The ordinance provided by this act may be amended or repealed in the same manner as it was adopted.

(6) The tax imposed pursuant to this act shall be at a rate of not more than 5% of the total charge for accommodations subject to this act.

(7) If a county meets the requirements of subsection (1) on the date it enacts an ordinance under this act, the county may continue to levy, assess, and collect the excise tax under this act.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 1991, Act 91, Imd. Eff. July 31, 1991;—Am. 2004, Act 118, Imd. Eff. May 27, 2004.

Popular name: Accommodations Tax Act

141.863 Mandatory provisions of ordinance.

Sec. 3. A county levying a tax pursuant to an ordinance adopted under this act shall provide in the ordinance for:

(a) The effective date of the ordinance which shall be in accordance with section 5.

(b) The rate of the tax to be imposed.

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(c) The rate and manner of the imposition of interest and penalties for delinquency in payment of taxes or other violations of the ordinance. The interest imposed on delinquency in payment of the tax shall not be more than 1% per month or fraction thereof of the unpaid tax after the due date thereof until paid. The penalty for delinquency in payment of the tax when due or other violations of the ordinance may be in addition to the interest but shall not be more than 5% of the amount of the unpaid tax per month or fraction thereof after the due date thereof until paid. However, the penalty shall not exceed 25% of the unpaid tax.

(d) The determination and allowance of abatements and refunds.

(e) The designation of the administrator of the tax and methods of collection.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974.

Popular name: Accommodations Tax Act

141.864 Discretionary provisions of ordinance.

Sec. 4. A county levying a tax under this act may provide in the ordinance for 1 or more of the following:

(a) The adoption and enforcement of rules to apply, interpret, effectuate, and administer the ordinance and the purposes of the tax.

(b) The prescribing and furnishing to taxpayers of forms, instructions, manuals, and other materials necessary for indorsement of the tax and the auditing of tax returns.

(c) The examination by the administrator or his agent of the books and records of a taxpayer for purposes of determining the correctness of a tax return or information filed, or the determination of any tax liability under this act.

(d) The imposition of a fine of not more than $500.00, or imprisonment of not more than 90 days, or both for violation of the ordinance.

(e) If the tax imposed under this act remains unpaid for more than 90 days, the treasurer of the county may collect the tax in the same manner as a delinquent special assessment, along with any associated interest, fees, and costs, under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2014, Act 284, Imd. Eff. Sept. 23, 2014.

Popular name: Accommodations Tax Act

141.865 Effective date of ordinance.

Sec. 5. An ordinance adopted pursuant to this act shall not become effective before the first day of the month following the expiration of 60 days after the ordinance is adopted.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974.

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141.866 Taxes cumulative.

Sec. 6. The taxes levied under this act shall be in addition to any other taxes, charges, or fees.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974.

Popular name: Accommodations Tax Act

141.867 Deposit and use of revenues.

Sec. 7. The revenues derived from the taxes imposed pursuant to this act shall be deposited in a special fund to be used by the county or by an authority that is organized pursuant to state law, together with other available funds only to pay:

(a) The cost of administration and enforcement of the ordinance.

(b) The financing of the acquisition, construction, improvement, enlargement, repair, or maintenance of convention and entertainment facilities, including, except as provided in subdivision (e), the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the county for convention and entertainment facilities.

(c) Except as provided in subdivision (e), current or future annual rental payable by the county to an authority organized pursuant to state law for the purpose of acquiring, constructing, improving, enlarging, repairing, or maintaining the convention and entertainment facilities and leasing them to the county.

(d) The promotion and encouragement of tourist and convention business in the county.

(e) The principal and interest, when due, on bonds or other evidence of indebtedness issued by or on behalf of the county for the purpose of financing the construction of a museum, or the current or future rental payable by the county to an authority organized pursuant to state law for the purpose of constructing a museum and leasing it to the county, only if the museum is located in a city with a population of 180,000 or more.

History: 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 1989, Act 13, Imd. Eff. May 10, 1989.

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