

**USE TAX ACT (EXCERPT)**  
**Act 94 of 1937**

**205.94h Tax inapplicable to property for use in qualified business activity.**

Sec. 4h. The tax levied under this act does not apply to tangible real or personal property to the extent the tangible real or personal property is used in a qualified business activity of the purchaser. As used in this section, "qualified business activity" means that term as defined in the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

**History:** Add. 1986, Act 13, Imd. Eff. Mar. 3, 1986;—Am. 1999, Act 117, Imd. Eff. July 14, 1999.

**Compiler's note:** Enacting section 1 of Act 117 of 1999 provides:

"Enacting section 1. This amendatory act clarifies that, with the exception of telecommunications equipment taxed under section 3a of the use tax act, 1937 PA 94, MCL 205.93a, the tax levied does not apply to the price of property or services to the extent that the property or services are stored, used, or consumed for exempt purposes. For telecommunications equipment taxed under section 3a of the use tax act, 1937 PA 94, MCL 205.93a, this amendatory act clarifies that for periods before April 1, 1999, the tax shall not be apportioned and for periods beginning April 1, 1999, the tax shall be apportioned. This amendatory act clarifies that existing law as originally intended provides for a prorated exemption. This amendatory act takes effect for all periods beginning March 31, 1995 and all tax years that are open under the statute of limitations provided in section 27a of 1941 PA 122, MCL 205.27a."