

# SENATE BILL No. 113

February 7, 2017, Introduced by Senators CASPERSON, HORN, MACGREGOR, ZORN, HANSEN, STAMAS, SCHMIDT, GREEN, JONES, KOWALL, HERTEL, WARREN, YOUNG, KNEZEK and BRANDENBURG and referred to the Committee on Economic Development and International Investment.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4d (MCL 205.54d), as amended by 2014 PA 53.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 4d. The following are exempt from the tax under this act:

2           (a) The sale of tangible personal property to a person who is  
3 a lessor licensed under the use tax act, 1937 PA 94, MCL 205.91 to  
4 205.111, and whose rental receipts are taxed or specifically exempt  
5 under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

6           (b) The sale of a vehicle acquired for lending or leasing to a  
7 public or parochial school for use in a course in driver education.

8           (c) The sale of a vehicle purchased by a public or parochial  
9 school if that vehicle is certified for driver education and is not  
10 reassigned for personal use by the school's administrative

1 personnel.

2 (d) The sale of water through water mains, the sale of water  
3 delivered in bulk tanks in quantities of not less than 500 gallons,  
4 or the sale of bottled water.

5 (e) The sale of tangible personal property to a person for  
6 demonstration purposes. For a dealer selling a new car or truck,  
7 the exemption for demonstration purposes shall be determined by the  
8 number of new cars and trucks sold during the current calendar year  
9 or the immediately preceding year without regard to specific make  
10 or style in accordance with the following schedule of 0 to 25, 2  
11 units; 26 to 100, 7 units; 101 to 500, 20 units; 501 or more, 25  
12 units; but not to exceed 25 cars and trucks in a calendar year for  
13 demonstration purposes.

14 (f) Specific charges for technical support or for adapting or  
15 modifying prewritten computer software programs to a purchaser's  
16 needs or equipment if those charges are separately stated and  
17 identified.

18 (g) The sale of computer software originally designed for the  
19 exclusive use and special needs of the purchaser.

20 (h) The sale of a commercial advertising element if the  
21 commercial advertising element is used to create or develop a  
22 print, radio, television, or other advertisement, the commercial  
23 advertising element is discarded or returned to the provider after  
24 the advertising message is completed, and the commercial  
25 advertising element is custom developed by the provider for the  
26 purchaser. As used in this subdivision, "commercial advertising  
27 element" means a negative or positive photographic image, an

1 audiotape or videotape master, a layout, a manuscript, writing of  
2 copy, a design, artwork, an illustration, retouching, and  
3 mechanical or keyline instructions. This exemption does not include  
4 black and white or full color process separation elements, an  
5 audiotape reproduction, or a videotape reproduction.

6 (i) A sale made outside of the ordinary course of the seller's  
7 business.

8 (j) An isolated transaction by a person not licensed or  
9 required to be licensed under this act, in which tangible personal  
10 property is offered for sale, sold, or transferred and delivered by  
11 the owner.

12 (k) The sale of oxygen for human use dispensed pursuant to a  
13 prescription.

14 (l) The sale of insulin for human use.

15 (m) Before January 1, 2016, the sale of tangible personal  
16 property for use in construction or renovation of a qualified  
17 convention facility under the regional convention facility  
18 authority act, 2008 PA 554, MCL 141.1351 to 141.1379. As used in  
19 this subdivision, "qualified convention facility" means that term  
20 as defined in section 5 of the regional convention facility  
21 authority act, 2008 PA 554, MCL 141.1355.

22 (N) THE SALE OF TANGIBLE PERSONAL PROPERTY FOR USE IN ELIGIBLE  
23 ACTIVITIES DESCRIBED IN SECTION 2(O) (iv) OF THE BROWNFIELD  
24 REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2652, ON ELIGIBLE  
25 PROPERTY THAT IS INCLUDED IN A TRANSFORMATIONAL BROWNFIELD PLAN, TO  
26 THE EXTENT THAT THE TANGIBLE PERSONAL PROPERTY WILL BE AFFIXED TO  
27 AND MADE A STRUCTURAL PART OF THE REAL PROPERTY OR INFRASTRUCTURE

1 IMPROVEMENTS INCLUDED WITHIN THE TRANSFORMATIONAL BROWNFIELD PLAN.  
2 AS USED IN THIS SUBDIVISION, "ELIGIBLE PROPERTY", "INFRASTRUCTURE  
3 IMPROVEMENTS", AND "TRANSFORMATIONAL BROWNFIELD PLAN" MEAN THOSE  
4 TERMS AS DEFINED IN SECTION 2 OF THE BROWNFIELD REDEVELOPMENT  
5 FINANCING ACT, 1996 PA 381, MCL 125.2652.