

HOUSE BILL No. 6040

September 15, 1998, Introduced by Rep. Profit and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 39c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 39C. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 1998, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED BY THIS ACT EQUAL TO THE AMOUNT OF PERSONAL PROPERTY
4 TAXES PAID BY THE TAXPAYER IN THE TAX YEAR ON RENTAL INVENTORY.
5 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
6 YEAR EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT
7 PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL BE
8 REFUNDED.
9 (3) AS USED IN THIS SECTION:
10 (A) "QUALIFIED TAXPAYER" MEANS A PERSON THAT MEETS BOTH OF
11 THE FOLLOWING CRITERIA:

1 (i) IS AN OWNER OF RENTAL INVENTORY THE RENTAL OF WHICH
2 PROVIDES 50% OR MORE OF THE OWNER'S GROSS PROCEEDS FOR THE TAX
3 YEAR.

4 (ii) IS THE OWNER OF RENTAL INVENTORY THE POSSESSION OF
5 WHICH IS NOT TRANSFERRED TO THE SAME PERSON FOR MORE THAN 6
6 MONTHS IN ANY 12-MONTH PERIOD.

7 (B) "RENTAL INVENTORY" MEANS TANGIBLE PERSONAL PROPERTY THAT
8 IS SUBJECT TO A RENTAL AGREEMENT AND THAT IS PRINCIPALLY RENTED
9 FOR HOUSEHOLD USE 50% OR MORE OF THE TIME, THE POSSESSION OF
10 WHICH IS TRANSFERRED FOR CONSIDERATION FOR AN HOURLY, DAILY,
11 WEEKLY, OR MONTHLY PERIOD. RENTAL INVENTORY DOES NOT INCLUDE THE
12 FOLLOWING:

13 (i) A VIDEOTAPE.

14 (ii) MEDICAL SUPPLIES OR EQUIPMENT.

15 (iii) RECREATIONAL EQUIPMENT.

16 (iv) LINENS.