

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Bullard

ENROLLED SENATE BILL No. 437

AN ACT to amend 1933 PA 167, entitled "An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 4x (MCL 205.54x), as amended by 2001 PA 40.

The People of the State of Michigan enact:

Sec. 4x. (1) A person subject to the tax under this act may exclude from the gross proceeds used for the computation of this tax sales to a domestic air carrier or, beginning January 1, 1996, to a person for lease to a domestic air carrier operating under a certificate for on demand charter issued by the federal aviation administration under 14 C.F.R. 135 of 1 or more of the following:

(a) An aircraft that has a maximum certificated takeoff weight of at least 6,000 pounds for use solely in the transport of air cargo, passengers, or a combination of air cargo and passengers.

(b) Parts and materials, excluding shop equipment or fuel, affixed or to be affixed to an aircraft that has a maximum certificated takeoff weight of at least 6,000 pounds for use solely in the transport of air cargo, passengers, or a combination of air cargo and passengers.

(2) A person subject to the tax under this act may exclude from the gross proceeds used for the computation of this tax sales of an aircraft to a person for subsequent lease to a domestic air carrier operating under a certificate issued by the federal aviation administration under 14 C.F.R. 121, for use solely in the regularly scheduled transport of passengers.

(3) As used in this section, "domestic air carrier" is limited to entities engaged primarily in the commercial transport for hire of air cargo, passengers, or a combination of air cargo and passengers as a business activity.

(4) The state treasurer shall determine not later than January 1 each year the amount of revenue lost from the state school aid fund in the immediately preceding state fiscal year because of the exemption under subsection (1) resulting from a lease to a domestic air carrier operating under a certificate for on demand charter issued by the federal aviation administration under 14 C.F.R. 135, and shall immediately deposit that amount from the state general fund into the state school aid fund.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.