

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 875

A bill to amend 1990 PA 100, entitled  
"City utility users tax act,"  
by amending section 5 of chapter 1 (MCL 141.1155), as amended by  
1998 PA 241.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 1

1

2       Sec. 5. (1) The uniform city utility users tax ordinance  
3 does not apply to a person or corporation as to whom or which it  
4 is beyond the power of the city to impose the tax provided for in  
5 the uniform city utility users tax ordinance.

6       (2) For tax years beginning after December 31, 1996, a person  
7 or corporation, except a casino, is exempt from the tax imposed  
8 under this ordinance for public utility services provided in a  
9 renaissance zone to the extent and for the duration provided  
10 pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL

1 125.2681 to 125.2696. As used in this subsection, "casino" means  
2 a casino or a parking lot, hotel, motel, or retail store owned or  
3 operated by a casino, an affiliate, or an affiliated company,  
4 regulated by this state pursuant to the Michigan gaming control  
5 and revenue act, the Initiated Law of 1996, MCL 432.201 to  
6 432.216.

7 (3) For tax years beginning after December 31, 2004, a  
8 qualified start-up business is exempt from the tax imposed under  
9 this ordinance for the 5 consecutive tax years that begin with  
10 the first tax year in which the qualified start-up business  
11 claims a credit under section 31a of the single business tax act,  
12 1975 PA 228, MCL 208.31a, or section 51f of the income tax act of  
13 1967, 1967 PA 281, MCL 206.51f. As used in this subsection,  
14 "qualified start-up business" means that term as defined in  
15 section 31a of the single business tax act, 1975 PA 228, MCL  
16 208.31a.

17 (4) A qualified start-up business may claim the exemption  
18 under subsection (3) by filing an exemption affidavit claiming  
19 the exemption with the treasurer of the city that imposes the tax  
20 under this ordinance on a form prescribed by the city. The  
21 exemption affidavit shall be filed within 60 days of the date on  
22 which a qualified start-up business became exempt under  
23 subsection (3).

24 (5) The exemption under subsection (3) is effective for a  
25 city that imposes the tax provided for in the city utility users  
26 tax ordinance that, not more than 90 days after the effective  
27 date of the amendatory act that added this subsection, adopts a

Senate Bill No. 875 (H-3) as amended April 27, 2004

1 resolution to include subsections (3) and (4) in its city utility  
2 users tax ordinance.

[Enacting section 1. This amendatory act does not take effect unless  
House Bill No. 5331 of the 92nd Legislature is enacted into law.]