

HOUSE BILL No. 4855

June 1, 2005, Introduced by Reps. Nofs and Wenke and referred to the Committee on Commerce.

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 4x (MCL 205.54x), as amended by 2004 PA 173.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4x. (1) A sale to a domestic air carrier of 1 or more of
2 the following is exempt from the tax under this act:

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

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

1 cargo and passengers.

2 (2) A SALE OF PARTS AND MATERIALS, EXCLUDING SHOP EQUIPMENT OR
3 FUEL, AFFIXED OR TO BE AFFIXED TO AN AIRCRAFT NOT BASED OR
4 REGISTERED IN THIS STATE IS EXEMPT FROM THE COLLECTION OF TAXES
5 UNDER THIS ACT.

6 (3) A SALE OF AN AIRCRAFT THAT IS TEMPORARILY LOCATED IN THIS
7 STATE FOR THE PURPOSE OF PREPURCHASE EVALUATION OR POSTSALE WORK
8 AND THAT WILL NOT BE BASED OR REGISTERED IN THIS STATE FOLLOWING
9 THE SALE IS EXEMPT FROM THE TAX UNDER THIS ACT.

10 (4) ~~-(2)-~~ A sale of an aircraft to a person for subsequent
11 lease to a domestic air carrier operating under a certificate
12 issued by the federal aviation administration under 14 CFR 121, for
13 use solely in the regularly scheduled transport of passengers is
14 exempt from the tax under this act.

15 (5) ~~-(3)-~~ As used in this section, "domestic air carrier" is
16 limited to entities engaged primarily in the commercial transport
17 for hire of air cargo, passengers, or a combination of air cargo
18 and passengers as a business activity.