

HOUSE BILL No. 6076

May 18, 2006, Introduced by Rep. Brown and referred to the Committee on Tax Policy.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4w. (1) For taxes levied after June 30, 1999, a sale of
2 tangible personal property to a person directly engaged in the
3 business of constructing, altering, repairing, or improving real
4 estate for others to the extent that the property is affixed to and
5 made a structural part of a nonprofit hospital or a nonprofit
6 housing entity qualified as exempt under section 15a of the state
7 housing development authority act of 1966, 1966 PA 346, MCL
8 125.1415a, is exempt from the tax under this act. **AS USED IN THIS**
9 **SECTION, "AFFIXED TO AND MADE A STRUCTURAL PART OF" MEANS ANY**

1 PHYSICAL CONNECTION TO AN EXISTING NONPROFIT HOSPITAL OR A
2 NONPROFIT HOUSING ENTITY QUALIFIED AS EXEMPT UNDER SECTION 15A OF
3 THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346,
4 MCL 125.1415A.

5 (2) An exemption shall not be granted under this section for
6 any portion of property otherwise qualifying for exemption under
7 this section if income or a benefit inures directly or indirectly
8 to an individual, private stockholder, or other private person from
9 the independent or nonessential operation of that portion of
10 property.

11 (3) As used in this section:

12 (a) "Nonprofit hospital" means 1 of the following:

13 (i) That portion of a building to which 1 of the following
14 applies:

15 (A) Is owned or operated by an entity exempt under section
16 501(c)(3) of the internal revenue code, 26 USC 501, that is
17 licensed as a hospital under part 215 of the public health code,
18 1978 PA 368, MCL 333.21501 to ~~333.21568~~ 333.21571.

19 (B) Is owned or operated by a governmental unit in which
20 medical attention is provided.

21 (C) Is owned or operated by an entity or entities exempt under
22 section 501(c)(2) or (3) of the internal revenue code, 26 USC 501,
23 in which medical attention is provided.

24 (ii) That portion of real property necessary and related to a
25 building described in subparagraph (i) in which medical attention is
26 provided.

27 (iii) A county long-term medical care facility built after

1 December 31, 1995, INCLUDING ANY ADDITION TO AN EXISTING COUNTY
2 LONG-TERM MEDICAL CARE FACILITY, IF THE ADDITION IS OWNED AND
3 OPERATED BY EITHER THE COUNTY OR THE COUNTY LONG-TERM MEDICAL CARE
4 FACILITY, REGARDLESS OF WHETHER THE ADDITION IS LICENSED AS A
5 NURSING HOME OR SKILLED NURSING FACILITY UNDER PART 217 OF THE
6 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21701 TO 333.21799E, OR
7 WHETHER THE ADDITION MEETS THE REQUIREMENTS SET FORTH IN SUBSECTION
8 (1).

9 (b) "Nonprofit hospital" does not include the following:

10 (i) A freestanding building or other real property of a nursing
11 home or skilled nursing facility licensed under part 217 of the
12 public health code, 1978 PA 368, MCL 333.21701 to 333.21799e.

13 (ii) A hospice licensed under part 214 of the public health
14 code, 1978 PA 368, MCL 333.21401 to ~~333.21421~~ 333.21420.

15 (iii) A home for the aged licensed under part 213 of the public
16 health code, 1978 PA 368, MCL 333.21301 to ~~333.21333~~ 333.21335.

17 (c) "Medical attention" means that level of medical care in
18 which a physician provides acute care or active treatment of
19 medical, surgical, obstetrical, psychiatric, chronic, or
20 rehabilitative conditions, that require the observation, diagnosis,
21 and daily treatment by a physician.

22 Enacting section 1. This amendatory act is retroactive and is
23 effective for taxes levied after June 30, 1999.