

# SENATE BILL No. 749

September 8, 2005, Introduced by Senators SCHAUER, CHERRY, GOSCHKA and GARCIA and referred to the Committee on Finance.

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  
10 cargo and passengers.

11           **(2) A SALE OF PARTS AND MATERIALS, EXCLUDING SHOP EQUIPMENT OR**

1 FUEL, AFFIXED OR TO BE AFFIXED TO AN AIRCRAFT NOT BASED OR  
2 REGISTERED IN THE UNITED STATES IS EXEMPT FROM THE COLLECTION OF  
3 TAXES UNDER THIS ACT.

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

8 (4) ~~—(2)—~~ A sale of an aircraft to a person for subsequent  
9 lease to a domestic air carrier operating under a certificate  
10 issued by the federal aviation administration under 14 CFR 121, for  
11 use solely in the regularly scheduled transport of passengers is  
12 exempt from the tax under this act.

13 (5) ~~—(3)—~~ As used in this section, "domestic air carrier" is  
14 limited to entities engaged primarily in the commercial transport  
15 for hire of air cargo, passengers, or a combination of air cargo  
16 and passengers as a business activity.