

Act No. 230
Public Acts of 2005
Approved by the Governor
November 21, 2005
Filed with the Secretary of State
November 21, 2005

NO EFFECTIVE DATE: Tie-barred to bill which was vetoed by the Governor

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005**

Introduced by Rep. Condino

ENROLLED HOUSE BILL No. 5106

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 4d (MCL 205.54d), as added by 2004 PA 173.

The People of the State of Michigan enact:

Sec. 4d. The following are exempt from the tax under this act:

(a) The sale of tangible personal property to a person who is a lessor licensed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and whose rental receipts are taxed or specifically exempt under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

(b) Before January 1, 2006, the sale of a vehicle acquired for lending or leasing to a public or parochial school for use in a course in driver education. After December 31, 2005, if section 35f of the single business tax act, 1975 PA 228, MCL 208.35f, is not in effect, the sale of a vehicle acquired for lending or leasing to a public or parochial school for use in a course in driver education.

(c) Before January 1, 2006, the sale of a vehicle purchased by a public or parochial school if that vehicle is certified for driver education and is not reassigned for personal use by the school's administrative personnel. After December 31, 2005, if section 35f of the single business tax act, 1975 PA 228, MCL 208.35f, is not in effect, the sale of a vehicle purchased by a public or parochial school if that vehicle is certified for driver education and is not reassigned for personal use by the school's administrative personnel.

(d) The sale of water through water mains, the sale of water delivered in bulk tanks in quantities of not less than 500 gallons, or the sale of bottled water.

(e) The sale of tangible personal property to a person for demonstration purposes. For a dealer selling a new car or truck, the exemption for demonstration purposes shall be determined by the number of new cars and trucks sold during the current calendar year or the immediately preceding year without regard to specific make or style in accordance with the following schedule of 0 to 25, 2 units; 26 to 100, 7 units; 101 to 500, 20 units; 501 or more, 25 units; but not to exceed 25 cars and trucks in a calendar year for demonstration purposes.

(f) Specific charges for technical support or for adapting or modifying prewritten computer software programs to a purchaser's needs or equipment if those charges are separately stated and identified.

(g) The sale of computer software originally designed for the exclusive use and special needs of the purchaser.

(h) The sale of a commercial advertising element if the commercial advertising element is used to create or develop a print, radio, television, or other advertisement, the commercial advertising element is discarded or returned to the provider after the advertising message is completed, and the commercial advertising element is custom developed by the provider for the purchaser. As used in this subdivision, "commercial advertising element" means a negative or positive photographic image, an audiotape or videotape master, a layout, a manuscript, writing of copy, a design, artwork, an illustration, retouching, and mechanical or keyline instructions. This exemption does not include black and white or full color process separation elements, an audiotape reproduction, or a videotape reproduction.

(i) A sale made outside of the ordinary course of the seller's business.

(j) An isolated transaction by a person not licensed or required to be licensed under this act, in which tangible personal property is offered for sale, sold, or transferred and delivered by the owner.

(k) The sale of oxygen for human use dispensed pursuant to a prescription.

(l) The sale of insulin for human use.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) House Bill No. 4342.

(b) House Bill No. 4972.

(c) House Bill No. 4973.

(d) House Bill No. 4980.

(e) House Bill No. 5095.

(f) House Bill No. 5096.

(g) House Bill No. 5097.

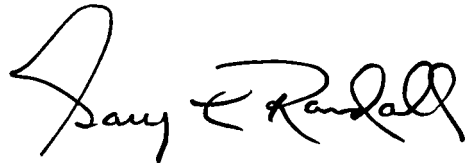
(h) House Bill No. 5098.

(i) House Bill No. 5107.

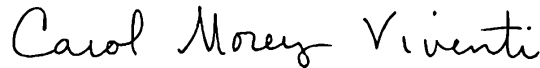
(j) House Bill No. 5108.

(k) Senate Bill No. 633.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor