

HOUSE BILL No. 6397

September 3, 2008, Introduced by Rep. Sak and referred to the Committee on Commerce.

A bill to amend 1974 PA 263, entitled

"An act to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties,"

by amending section 2 (MCL 141.862), as amended by 2004 PA 118.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) The county board of commissioners of a county
2 having a population of less than 600,000 persons ~~—~~and having a
3 city of at least 40,000 population may enact an ordinance to levy,
4 assess, and collect an excise tax from all persons engaged in the
5 business of providing rooms for dwelling, lodging, or sleeping
6 purposes, except in hospitals or nursing homes, to transient
7 guests, whether or not membership is required for the use of the
8 accommodations.

1 (2) If a county meets the requirements of subsection (1) on
2 the date it enacts an ordinance under this act and, after the 1990
3 decennial census, the county has a population of less than 120,000
4 persons and has a city with a population of 35,000 or more persons,
5 that county may continue to levy, assess, and collect the excise
6 tax under this act until October 1, 1991.

7 (3) If a county described in subsection (2) has any
8 accommodations located within the county that are also located
9 within the boundaries of a city in which the majority of the
10 population of that city reside in an adjoining county, then the
11 accommodation is exempt from the tax under this act.

12 (4) If a county described in subsection (2) has any
13 accommodations located within the county that are also located
14 within the boundaries of a city with a population of less than
15 5,000 persons, then the accommodation is exempt from tax under this
16 act.

17 (5) The ordinance provided by this act may be amended or
18 repealed in the same manner as it was adopted.

19 (6) The tax imposed pursuant to this act shall be at a rate of
20 not more than 5% of the total charge for accommodations subject to
21 this act.

22 (7) If a county meets the requirements of subsection (1) on
23 the date it enacts an ordinance under this act, the county may
24 continue to levy, assess, and collect the excise tax under this
25 act.

26 **(8) AN ACCOMMODATION SOLD TO AN ORGANIZATION NOT OPERATED FOR**
27 **PROFIT AND EXEMPT FROM TAXATION UNDER SECTION 501(C) (3) OR**

1 501(C)(4) OF THE INTERNAL REVENUE CODE IS EXEMPT FROM EXCISE TAX
2 LEVIED UNDER THIS ACT IF THE ACCOMMODATION IS USED IN FURTHERANCE
3 OF THE CHARITABLE PURPOSES OF THAT ORGANIZATION.