

# HOUSE BILL No. 5591

May 2, 2012, Introduced by Reps. Geiss, Liss, Stallworth, Hovey-Wright and Womack and referred to the Committee on Tax Policy.

A bill to impose a state assessment on persons engaged in the business of leasing or renting a motor vehicle; to provide for the levy, collection, and administration of the state assessment; to provide for the disposition of the proceeds of the state assessment; to prescribe the powers and duties of certain state departments and certain public entities; and to provide for certain exemptions.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan car rental assessment act".

3       Sec. 2. As used in this act:

4       (a) "Assessable transaction" means the lease or rental of a  
5 motor vehicle designed for 8 or fewer passengers, regardless of  
6 whether the vehicle is licensed in this state, for a period of less  
7 than 31 days that commences at a commercial airport or at a

1 location within 1.1 miles of a commercial airport.

2 (b) "Commercial airport" means an airport within this state  
3 that has regularly scheduled commercial flights.

4 (c) "Michigan car rental assessment fund" means the Michigan  
5 car rental assessment fund created in section 7.

6 (d) "Motor vehicle" means a motor vehicle that is or would be  
7 subject to registration and certificate of title under section 216  
8 of the Michigan vehicle code, 1949 PA 300, MCL 257.216, that is  
9 designed and intended to be used primarily in the transportation of  
10 passengers. Motor vehicle does not include a road tractor, school  
11 bus, special mobile equipment, tank vehicle, truck tractor,  
12 implement of husbandry, or farm tractor as those terms are defined  
13 by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

14 (e) "Next Michigan development district" means that term as  
15 defined in section 3 of the next Michigan development act, 2010 PA  
16 275, MCL 125.2953.

17 (f) "Person" means an individual, partnership, corporation,  
18 association, limited liability company, or other legal entity.

19 Sec. 3. Except as otherwise provided in this section or in  
20 section 7 or 8, beginning with assessable transactions that begin  
21 after September 30, 2012 there is imposed on persons engaged in the  
22 rental or lease of motor vehicles an assessment of \$1.00 for each  
23 day or portion of a day of each assessable transaction.

24 Sec. 4. (1) An assessment under this act shall be collected at  
25 the same time and in the same manner as the tax imposed under the  
26 use tax act, 1937 PA 94, MCL 205.91 to 205.111, and the general  
27 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

1           (2) The assessment imposed by this act shall be administered  
2 by the department of treasury under 1941 PA 122, MCL 205.1 to  
3 205.31.

4           Sec. 5. (1) The assessment provided for under this act is a  
5 tax that is levied on a person engaged in the business of rental or  
6 lease of motor vehicles.

7           (2) A taxpayer may reimburse himself or herself by adding the  
8 amount of the assessment to the rental transaction.

9           Sec. 6. The proceeds from the collection of the assessment  
10 imposed under this act shall be deposited with the state treasurer  
11 and credited to the Michigan car rental assessment fund.

12          Sec. 7. (1) The Michigan car rental assessment fund is created  
13 within the state treasury.

14          (2) The state treasurer may receive money or other assets from  
15 any source for deposit into the fund. The state treasurer shall  
16 direct the investment of the fund. The state treasurer shall credit  
17 to the fund interest and earnings from fund investments.

18          (3) Money in the fund at the close of the fiscal year shall  
19 remain in the fund and shall not lapse to the general fund.

20          (4) The department of treasury shall be the administrator of  
21 the fund for auditing purposes.

22          (5) The department of treasury shall expend money from the  
23 fund, upon appropriation, only for 1 or more of the following  
24 purposes:

25           (a) If the commercial airport from which the assessment was  
26 collected is located within or connected to a next Michigan  
27 development district, only for road construction and maintenance

1 within that next Michigan development district that are located  
2 within 1.1 miles of the commercial airport.

3 (b) If the commercial airport from which the assessment was  
4 collected is not located within or connected to a next Michigan  
5 development district, only for road construction and maintenance  
6 within 1.1 miles of the commercial airport.

7 Sec. 8. This act does not apply to a motor vehicle provided at  
8 no charge to a person whose motor vehicle is being repaired,  
9 adjusted, or serviced by the entity providing the replacement motor  
10 vehicle.

11 Sec. 9. This act does not apply to a motor vehicle provided to  
12 a person whose motor vehicle is being repaired, adjusted, replaced,  
13 or serviced, and who submits an insurance claim, accident report,  
14 or written estimate from a motor vehicle repair facility dated  
15 within 7 days of the lease or rental of a motor vehicle.