

**SUBSTITUTE FOR
SENATE BILL NO. 1172**

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 3f (MCL 205.93f), as amended by 2014 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3f. ~~Beginning~~ **EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
2 **SECTION, BEGINNING** April 1, 2014 **THROUGH DECEMBER 31, 2016**, the use
3 or consumption of medical services provided by entities identified
4 in, and pursuant to contracts identified under, section 106(2)(a)
5 and section 109f(2) of the social welfare act, 1939 PA 280, MCL
6 400.106 and 400.109f, shall be taxed in the same manner as tangible
7 personal property is taxed under this act notwithstanding any other
8 provision or exemption under this act. **BEGINNING ON JULY 1, 2020 OR**
9 **ON THE EFFECTIVE DATE OF THE REPEAL OF SECTION 3 OF THE HEALTH**
10 **INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1733, OR THE**

1 EFFECTIVE DATE OF THE AMENDATORY ACT THAT AMENDED SECTION 3 OF THE
2 HEALTH INSURANCE CLAIMS ASSESSMENT ACT, 2011 PA 142, MCL 550.1733,
3 AND REDUCED THE ASSESSMENT TO 0.0%, WHICHEVER IS SOONER, THE USE OR
4 CONSUMPTION OF MEDICAL SERVICES PROVIDED BY ENTITIES IDENTIFIED IN,
5 AND PURSUANT TO CONTRACTS IDENTIFIED UNDER, SECTION 106(2)(A) AND
6 SECTION 109F(2) OF THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.106
7 AND 400.109F, SHALL BE TAXED IN THE SAME MANNER AS TANGIBLE
8 PERSONAL PROPERTY IS TAXED UNDER THIS ACT NOTWITHSTANDING ANY OTHER
9 PROVISION OR EXEMPTION UNDER THIS ACT. As used in this section,
10 "medical services" means those medical services provided only to
11 ~~medicaid~~**MEDICAID** beneficiaries enrolled under title XIX of the
12 social security act, 42 USC 1396 to ~~1396w~~**1396W-5**.