

SENATE BILL No. 1172

November 10, 2016, Introduced by Senators HORN, SHIRKEY, MACGREGOR, STAMAS and PROOS and referred to the Committee on Michigan Competitiveness.

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, the use or consumption of medical
 3 services provided by entities identified in, and pursuant to
 4 contracts identified under, section 106(2)(a) and section 109f(2)
 5 of the social welfare act, 1939 PA 280, MCL 400.106 and 400.109f,
 6 shall be taxed in the same manner as tangible personal property is
 7 taxed under this act notwithstanding any other provision or
 8 exemption under this act. **IF THE FEDERAL GOVERNMENT PROVIDES A**
 9 **WRITTEN NOTIFICATION AND EXPLANATION TO THIS STATE THAT THE USE TAX**
 10 **REVENUES ASSESSED ON ENTITIES UNDER THIS SECTION ARE NOT**
 11 **PERMISSIBLE AND AS A RESULT FEDERAL MEDICAID MATCH FUNDING WILL BE**

SENATE BILL No. 1172

1 REDUCED BEGINNING ON A DATE CERTAIN, THEN BEGINNING ON THAT DATE
2 CERTAIN OR WHEN FEDERAL REIMBURSEMENT IS ACTUALLY REDUCED,
3 WHICHEVER OCCURS FIRST, THE TAX AUTHORIZED UNDER THIS SECTION SHALL
4 NO LONGER BE COLLECTED OR ASSESSED. HOWEVER, IF THE STATE
5 SUBSEQUENTLY RECEIVES A WRITTEN NOTIFICATION FROM THE FEDERAL
6 GOVERNMENT THAT THE TAX PREVIOUSLY ASSESSED AND COLLECTED PURSUANT
7 TO THIS SECTION IS PERMISSIBLE AND FEDERAL MEDICAID MATCH FUNDING
8 IS AVAILABLE, THEN THE DEPARTMENT SHALL ISSUE A BULLETIN AND
9 PROVIDE WRITTEN NOTIFICATION TO THOSE ENTITIES IDENTIFIED IN, AND
10 PURSUANT TO CONTRACTS IDENTIFIED UNDER, SECTION 106(2)(A) AND
11 SECTION 109F(2) OF THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.106
12 AND 400.109F, EXPLAINING THAT THE USE OR CONSUMPTION OF MEDICAL
13 SERVICES PROVIDED BY THOSE ENTITIES SHALL BE TAXED AS PROVIDED IN
14 THIS SECTION BEGINNING ON A DATE CERTAIN. As used in this section,
15 "medical services" means those medical services provided only to
16 medicaid beneficiaries enrolled under title XIX of the social
17 security act, 42 USC 1396 to ~~1396w~~-1396W-5.