

**EXCISE TAX ON BUSINESS OF PROVIDING ACCOMMODATIONS**  
**Act 263 of 1974**

AN ACT to permit counties and local units of government 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 proceeds of the excise tax; and to prescribe penalties.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

*The People of the State of Michigan enact:*

**141.861 Definitions.**

Sec. 1. As used in this act:

(a) "Accommodations" means the room or other space provided for sleeping, including furnishings and other accessories in the room or other space. Accommodations do not include food and beverages.

(b) "Administrator" means the official designated by the county or local unit of government to collect the excise tax and to administer and enforce the ordinance.

(c) "Convention and entertainment facilities" means all, any part, or any combination of convention halls, auditoriums, stadiums, music halls, arenas, sports complexes, aquariums, meeting rooms, exhibit areas, and related public areas.

(d) "Excise tax" means the excise tax levied by a county or local unit of government under this act.

(e) "Local governing body" means the body in which the legislative powers of a local unit of government are vested.

(f) "Local unit of government" means a city or township.

(g) "Ordinance" means an ordinance enacted by a county or local unit of government under this act to levy, assess, and collect an excise tax.

(h) "Person" means a natural person, partnership, fiduciary, association, corporation, or other entity.

(i) "Revenues" means the income derived from the excise tax, plus interest and penalties imposed by this act, levied and assessed under an ordinance adopted pursuant to this act.

(j) "Sports complex" means a facility designed and primarily used for organized sports competitions.

(k) "Transient guest" means a natural person staying less than 30 consecutive days.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

**141.862 County excise tax on persons engaged in business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; exempt accommodations; amendment or repeal of ordinance; tax rate; increase subject to vote of electors in compliance with state constitution and subsection (1).**

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

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

(3) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city in which the majority of the population of that city reside in an adjoining county, then the accommodation is exempt from the excise tax levied by the county.

(4) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city with a population of less than 5,000 persons, then the accommodation is exempt from the excise tax levied by the county.

(5) An ordinance described in subsection (1) may be amended or repealed in the same manner as it was adopted.

(6) The excise tax imposed by a county must be at a rate of not more than 8% of the total charge for accommodations subject to this act.

(7) If a county meets the requirements of subsection (1) on the date it enacts an ordinance, the county may continue to levy, assess, and collect the excise tax and, subject to subsections (6) and (8), may increase the rate at which the excise tax is levied.

(8) The county board of commissioners of a county shall not levy an excise tax at a rate of more than 5% of the total charge for accommodations subject to this act unless a majority of the qualified electors of that county voting on the question approve the levy of the excise tax in compliance with section 31 of article IX of the state constitution of 1963.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 1991, Act 91, Imd. Eff. July 31, 1991;—Am. 2004, Act 118, Imd. Eff. May 27, 2004;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

**141.862a Local unit of government excise tax on persons engaged in business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; exempt accommodations; amendment or repeal of ordinance; tax rate; subject to vote of electors in compliance with state constitution and subsection (1).**

Sec. 2a. (1) Subject to subsection (4), the local governing body of a local unit of government that is located in a county with a population of more than 600,000 and less than 775,000 may enact an ordinance to levy, assess, and collect an excise tax from all persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes, except in hospitals or nursing homes, to transient guests, whether or not membership is required for the use of the accommodations.

(2) An ordinance described in subsection (1) may be amended or repealed in the same manner as it was adopted.

(3) The excise tax imposed by a local unit of government must be at a rate of not more than 2% of the total charge for accommodations subject to this act.

(4) The local governing body of a local unit of government shall not levy an excise tax unless a majority of the qualified electors of that local unit of government voting on the question approve the levy of the excise tax in compliance with section 31 of article IX of the state constitution of 1963.

(5) If a local unit of government meets the requirements of subsection (1) on the date it enacts an ordinance, the local unit of government may continue to levy, assess, and collect the excise tax.

**History:** Add. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

**141.863 Mandatory provisions of ordinance.**

Sec. 3. A county or local unit of government levying an excise tax shall provide in the ordinance for all of the following:

(a) The effective date of the ordinance, which must comply with section 5.

(b) The rate of the excise tax to be imposed.

(c) The rate and manner of the imposition of interest and penalties for delinquency in payment of excise taxes or other violations of the ordinance. The interest imposed on delinquency in payment of the excise tax must not be more than 1% per month or fraction of a month of the unpaid excise tax after the due date until paid. The penalty for delinquency in payment of the excise tax when due or other violations of the ordinance may be in addition to the interest but must not be more than 5% of the amount of the unpaid excise tax per month or fraction of a month after the due date until paid. However, the penalty must not exceed 25% of the unpaid excise tax.

(d) The determination and allowance of abatements and refunds.

(e) The designation of the administrator of the tax and methods of collection.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

**141.864 Discretionary provisions of ordinance.**

Sec. 4. A county or local unit of government levying an excise tax may provide in the ordinance for 1 or more of the following:

(a) The adoption and enforcement of rules to apply, interpret, effectuate, and administer the ordinance and the purposes of the excise tax.

(b) The prescribing and furnishing to taxpayers of forms, instructions, manuals, and other materials necessary for indorsement of the excise tax and the auditing of tax returns.

(c) The examination by the administrator or the administrator's agent of the books and records of a taxpayer for purposes of determining the correctness of a tax return or information filed, or the determination

of any tax liability under this act.

(d) The imposition of a fine of not more than \$500.00, or imprisonment of not more than 90 days, or both for violation of the ordinance.

(e) If the excise tax remains unpaid for more than 90 days, the treasurer of the county may collect the tax in the same manner as a delinquent special assessment, along with any associated interest, fees, and costs, under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2014, Act 284, Imd. Eff. Sept. 23, 2014;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

#### **141.865 Effective date of ordinance.**

Sec. 5. An ordinance adopted pursuant to this act shall not become effective before the first day of the month following the expiration of 60 days after the ordinance is adopted.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974.

**Popular name:** Accommodations Tax Act

#### **141.866 Excise taxes cumulative.**

Sec. 6. (1) The excise taxes are in addition to any other taxes, charges, or fees.

(2) The excise taxes levied by a local unit of government are in addition to any excise taxes levied by a county.

(3) The excise taxes levied by a county are in addition to any excise taxes levied by a local unit of government.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act

#### **141.867 Deposit and use of revenues.**

Sec. 7. The revenues derived from the excise taxes must be deposited in a special fund to be used by the county, by the local unit of government, or by an authority that is organized pursuant to state law, together with other available funds only to pay for 1 or more of the following:

(a) The cost of administration and enforcement of the ordinance.

(b) The financing of the acquisition, construction, improvement, enlargement, repair, or maintenance of convention and entertainment facilities, including, except as provided in subdivision (e), the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the county or local unit of government for convention and entertainment facilities.

(c) Except as provided in subdivision (e), current or future annual rental payable by the county or local unit of government to an authority organized pursuant to state law for the purpose of acquiring, constructing, improving, enlarging, repairing, or maintaining the convention and entertainment facilities and leasing them to the county or local unit of government.

(d) The promotion and encouragement of tourist and convention business in the county or local unit of government.

(e) The principal and interest, when due, on bonds or other evidence of indebtedness issued by or on behalf of the county for the purpose of financing the construction of a museum, or the current or future rental payable by the county to an authority organized pursuant to state law for the purpose of constructing a museum and leasing it to the county, only if the museum is located in a city with a population of 180,000 or more.

**History:** 1974, Act 263, Imd. Eff. Aug. 7, 1974;—Am. 1989, Act 13, Imd. Eff. May 10, 1989;—Am. 2024, Act 35, Imd. Eff. Apr. 2, 2024.

**Popular name:** Accommodations Tax Act