

SENATE BILL No. 1300

May 30, 2000, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
by amending section 7 (MCL 208.7), as amended by 1982 PA 376.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) "Sale" or "sales" means the gross receipts
2 arising from a transaction or transactions in which gross
3 receipts constitute consideration FOR EITHER OF THE FOLLOWING:

4 (a) ~~for the~~ THE transfer of title to, or possession of,
5 property that is stock in trade or other property of a kind
6 ~~which~~ THAT would properly be included in the inventory of the
7 taxpayer if on hand at the close of the tax period or property
8 held by the taxpayer primarily for sale to customers in the ordi-
9 nary course of its trade or business. ~~, or~~

10 (b) ~~for the~~ THE performance of services ~~, which~~ THAT
11 constitute business activities other than those included in

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1 SUBDIVISION (a), or from any combination of BUSINESS ACTIVITIES
2 UNDER THIS SUBDIVISION OR SUBDIVISION (a). ~~or (b).~~

3 (2) "State" means any state of the United States, the
4 District of Columbia, the Commonwealth of Puerto Rico, any terri-
5 tory or possession of the United States, and any foreign country,
6 or political subdivision of any of the foregoing.

7 (3) "Gross receipts" means the sum of sales ~~, as defined in~~
8 ~~subsection (1),~~ and rental or lease receipts. Gross receipts
9 does not include the amounts received in an agency or other rep-
10 resentative capacity, solely on behalf of another or others but
11 not including amounts received by persons having the power or
12 authority to expend or otherwise appropriate ~~such~~ THOSE amounts
13 in payment for or in consideration of sales or services made or
14 rendered by themselves or by others acting under their direction
15 and control or by ~~such~~ fiduciaries as guardians, executors,
16 administrators, receivers, conservators, or trustees other than
17 trustees of taxes received or collected from others under
18 ~~direction of the laws of the~~ federal ~~government~~ LAW or THE
19 LAWS of any state or local governments. GROSS RECEIPTS DO NOT
20 INCLUDE AMOUNTS RECEIVED BY AN ADVERTISING AGENCY USED TO ACQUIRE
21 ADVERTISING MEDIA TIME, SPACE, OR TALENT ON BEHALF OF ANOTHER
22 PERSON.

23 Enacting section 1. This amendatory act is curative and
24 intended to correct any misinterpretation by the department of
25 treasury of legislative intent that an advertising agency's col-
26 lection and remittance of amounts for advertising media time,
27 space, and talent on behalf of another person is not a sale and

1 should not be included in gross receipts under section 7 of the
2 single business tax act, 1975 PA 228, MCL 208.7. This amendatory
3 act is retroactive and applies to all disputes pending in any
4 court on the effective date of this amendatory act.