

# SENATE BILL No. 1248

April 23, 2002, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4v (MCL 205.54v), as added by 1999 PA 116.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4v. (1) The tax levied under this act does not apply  
2 to the purchase of machinery and equipment for use or consumption  
3 in the rendition of any combination of services, the use or con-  
4 sumption of which is taxable under section 3a(a) or (c) OR  
5 SECTION 3B of the use tax act, 1937 PA 94, MCL 205.93a AND  
6 205.93B, except that this exemption is limited to the tangible  
7 personal property located on the premises of the subscriber and  
8 to central office equipment or wireless equipment, directly used  
9 or consumed in transmitting, receiving, or switching, or in the  
10 monitoring of switching of a 2-way interactive communication. As  
11 used in this subsection, central office equipment or wireless

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1 equipment does not include distribution equipment including cable  
2 or wire facilities.

3       (2) Beginning April 1, 1999, the property under  
4 subsection (1) is exempt only to the extent that the property is  
5 used for the exempt purposes stated in this section. There is an  
6 irrebuttable presumption that 90% of total use is for exempt  
7 purposes. This presumption is in effect until April 1, 2006, at  
8 which time the presumption shall be reviewed and redetermined by  
9 the department of treasury using nonexempt and exempt user infor-  
10 mation for the previous 12-month period. That redetermined irre-  
11 buttable presumption shall be in effect for the following 7  
12 years. The irrebuttable presumption shall be reviewed and rede-  
13 termined every 7 years after April 1, 2006 and applied to the  
14 following 7 years.

15       Enacting section 1. This amendatory act does not take  
16 effect unless all of the following bills of the 91st Legislature  
17 are enacted into law:

18       (a) Senate Bill No. 477.

19       (b) Senate Bill No. 824.