

SENATE BILL No. 477

May 16, 2001, Introduced by Senators GARCIA, EMMONS and BULLARD and referred to the Committee on Finance.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 3a (MCL 205.93a), as amended by 1998 PA 366.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3a. The use or consumption of the following services
2 is taxed under this act in the same manner as tangible personal
3 property is taxed under this act:

4 (a) ~~Intrastate~~ SERVICES PURCHASED IN A TRANSACTION OR POR-
5 TION OF A TRANSACTION FOR INTRASTATE telephone, telegraph, leased
6 wire, and other similar communications, including local telephone
7 exchange and long distance telephone service that both originates
8 and terminates in Michigan, and telegraph, private line, and
9 teletypewriter service between places in Michigan, but excluding
10 telephone service by coin-operated installations, switchboards,
11 concentrator-identifiers, interoffice circuitry and their

1 accessories for telephone answering service, and directory
2 advertising proceeds. THE DEPARTMENT SHALL DETERMINE THE PRICE
3 OF SERVICES TAXABLE UNDER THIS SUBDIVISION OR SUBDIVISION (C)
4 WHEN THOSE SERVICES ARE COMBINED WITH OTHER NONTAXABLE SERVICES.

5 (b) Rooms or lodging furnished by hotelkeepers, motel opera-
6 tors, and other persons furnishing accommodations that are avail-
7 able to the public on the basis of a commercial and business
8 enterprise, irrespective of whether or not membership is required
9 for use of the accommodations, except rooms and lodging rented
10 for a continuous period of more than 1 month. As used in this
11 act, "hotel" or "motel" means a building or group of buildings in
12 which the public may obtain accommodations for a consideration,
13 including, without limitation, such establishments as inns,
14 motels, tourist homes, tourist houses or courts, lodging houses,
15 rooming houses, nudist camps, apartment hotels, resort lodges and
16 cabins, camps operated by other than nonprofit organizations but
17 not including those licensed under 1973 PA 116, MCL 722.111 to
18 722.128, and any other building or group of buildings in which
19 accommodations are available to the public, except accommodations
20 rented for a continuous period of more than 1 month and accommo-
21 dations furnished by hospitals or nursing homes.

22 (c) Interstate telephone communications that either origi-
23 nate or terminate in this state and for which the charge for the
24 service is billed to a Michigan service address or phone number
25 by the provider either within or outside this state including
26 calls between this state and any place within or without the
27 United States of America outside of this state. However, if the

1 tax under this act is levied at a rate of 6%, this subdivision
2 does not apply to a wide area telecommunication service or a sim-
3 ilar type service, an 800 prefix service or similar type service,
4 an interstate private network and related usage charges, or an
5 international call either inbound or outbound.

6 (d) ~~After December 31, 1998, the~~ THE laundering or clean-
7 ing of textiles under a sale, rental, or service agreement with a
8 term of at least 5 days. This subdivision does not apply to the
9 laundering or cleaning of textiles used by a restaurant or retail
10 sales business. As used in this subdivision, "restaurant" means
11 a food service establishment defined and licensed under the
12 ~~public health code, 1978 PA 368, MCL 333.1101 to 333.25211~~ FOOD
13 LAW OF 2000, 2000 PA 92, MCL 289.1101 TO 289.8111.