

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
6 205.903B, 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

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.