

SUBSTITUTE FOR  
HOUSE BILL NO. 5426

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
(MCL 205.91 to 205.111) by adding section 4y.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4y. (1) Beginning October 1, 2004, the tax levied  
2 under this act does not apply to the storage, use, or consumption  
3 of an eligible automobile provided to a qualified recipient by  
4 the family independence agency or by a qualified organization.

5       (2) As used in this section:

6       (a) "Eligible automobile" means an automobile that meets all  
7 of the following requirements:

8       (i) The automobile has been inspected by a mechanic certified  
9 under the motor vehicle service and repair act, 1974 PA 300, MCL  
10 257.1301 to 257.1340.

11       (ii) The automobile is insured as required under state law.

1           (iii) The automobile is registered to a qualified recipient.

2           (b) "Qualified organization" means an organization that  
3 applies for certification not later than July 1 of the year in  
4 which an exemption is claimed under this section and is certified  
5 by the department of treasury as meeting all of the following  
6 requirements:

7           (i) The organization is exempt from taxation under section  
8 501(c)(3) of the internal revenue code, 26 USC 501.

9           (ii) The organization is licensed under the charitable  
10 organizations and solicitations act, 1975 PA 169, MCL 400.271 to  
11 400.294.

12           (iii) The organization administers a program to provide a  
13 qualified recipient with an eligible automobile for  
14 transportation to his or her place of employment or for  
15 employment-related activities.

16           (c) "Qualified recipient" means a person certified by a  
17 qualified organization as meeting all of the following  
18 qualifications:

19           (i) The qualified recipient receives or, if he or she  
20 applied, would be eligible to receive public assistance through a  
21 program created and administered under the social welfare act,  
22 1939 PA 280, MCL 400.1 to 400.119b.

23           (ii) The qualified recipient has a valid Michigan operator's  
24 or chauffeur's license.

25           (iii) The qualified recipient is financially capable of  
26 meeting any loan payment, insurance payment, or other expenditure  
27 associated with the eligible vehicle.

1           (iv) Public transportation is not reasonably available to the  
2 qualified recipient, the qualified recipient has no other  
3 reliable means by which to commute to his or her place of  
4 employment, and the qualified recipient will use the eligible  
5 vehicle as his or her primary means of transportation to commute  
6 to and from his or her place of employment.

7           (v) The qualified recipient has a demonstrated ability to  
8 maintain employment.

9           (vi) If the qualified recipient is currently employed for not  
10 less than an average of 20 hours per week, the qualified  
11 recipient requires an automobile to retain his or her current  
12 employment or to accept a verified offer of employment in a  
13 position that is demonstrably superior to his or her current  
14 position of employment.

15           (vii) If the qualified recipient is not currently employed or  
16 is employed for less than an average of 20 hours per week, the  
17 qualified recipient requires an automobile to accept a verified  
18 offer of employment of not less than an average of 20 hours per  
19 week and cannot begin employment in that position without an  
20 automobile.

21           Enacting section 1. This amendatory act does not take  
22 effect unless House Bill No. 5653 of the 92nd Legislature is  
23 enacted into law.