

# HOUSE BILL No. 5426

January 22, 2004, Introduced by Reps. Nofs, Hoogendyk, Wenke, Gaffney, Nitz, Stahl, Ward, Stakoe, Caswell, DeRossett, Pastor, Pappageorge, Howell, Meyer, Steil, Tabor, Middaugh, Palsrok, Casperson, Garfield, Milosch, Condino, Farhat, Shackleton, Van Regenmorter, Caul, DeRoche, Newell, Clack, Kooiman, Hune, Robertson and Acciavatti and referred to the Committee on Tax Policy.

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) For taxes levied after December 31, 2003, the  
2 tax levied under this act does not apply to the storage, use, or  
3 consumption of an eligible automobile provided to a qualified  
4 recipient by the family independence agency or by a qualified  
5 charitable organization.

6       (2) As used in this section:

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

9       (i) The automobile has been inspected by a mechanic certified  
10 under the motor vehicle service and repair act, 1974 PA 300, MCL  
11 257.1301 to 257.1340.

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

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

3           (b) "Qualified organization" means an organization that meets  
4 all of the following requirements:

5           (i) The organization is exempt from taxation under section  
6 501(c)(3) of the internal revenue code, 26 USC 501.

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

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

14          (c) "Qualified recipient" means a person who meets all of the  
15 following qualifications:

16           (i) The qualified recipient receives public assistance  
17 through a program created and administered under the social  
18 welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

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

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

24           (iv) Public transportation is not reasonably available to the  
25 qualified recipient, the qualified recipient has no other  
26 reliable means by which to commute to his or her place of  
27 employment, and the qualified recipient will use the eligible

1 vehicle as his or her primary means of transportation to commute  
2 to and from his or her place of employment.

3 (v) The qualified recipient has a demonstrated ability to  
4 maintain employment.

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

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