

**SUBSTITUTE FOR
HOUSE BILL NO. 5824**

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4w (MCL 205.54w), as amended by 2006 PA 665.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4w. (1) For taxes levied after June 30, 1999, a sale of
2 tangible personal property to a person directly engaged in the
3 business of constructing, altering, repairing, or improving real
4 estate for others to the extent that the property is affixed to and
5 made a structural part of a nonprofit hospital or a nonprofit
6 housing entity qualified as exempt under section 15a of the state
7 housing development authority act of 1966, 1966 PA 346, MCL
8 125.1415a, is exempt from the tax under this act. For purposes of a
9 county long-term medical care facility, "affixed to and made a
10 structural part of" means any physical connection to an existing
11 county long-term medical care facility.

1 (2) An exemption shall not be granted under this section for
2 any portion of property otherwise qualifying for exemption under
3 this section if income or a benefit inures directly or indirectly
4 to an individual, private stockholder, or other private person from
5 the independent or nonessential operation of that portion of
6 property.

7 (3) As used in this section:

8 (a) "Nonprofit hospital" means 1 of the following:

9 (i) That portion of a building to which 1 of the following
10 applies:

11 (A) Is owned or operated by an entity exempt under section
12 501(c)(3) of the internal revenue code, 26 USC 501, that is
13 licensed as a hospital under part 215 of the public health code,
14 1978 PA 368, MCL 333.21501 to 333.21571.

15 (B) Is owned or operated by a governmental unit in which
16 medical attention is provided.

17 (C) Is owned or operated by an entity or entities exempt under
18 section 501(c)(2) or (3) of the internal revenue code, 26 USC 501,
19 in which medical attention is provided.

20 (ii) That portion of real property necessary and related to a
21 building described in subparagraph (i) in which medical attention
22 is provided.

23 (iii) A county long-term medical care facility, including any
24 addition to an existing county long-term medical care facility, if
25 the addition is owned and operated by ~~either the county or the~~
26 county long-term medical care facility and offers health services
27 provided by the county long-term medical care facility. **FOR**

1 PURPOSES OF THIS SUBPARAGRAPH, "ADDITION" INCLUDES A FREESTANDING
2 BUILDING AS LONG AS THAT FREESTANDING BUILDING IS OPERATED UNDER
3 THE SAME LICENSE HELD BY THE COUNTY LONG-TERM MEDICAL CARE FACILITY
4 AND CONTINUES TO OFFER THE SAME HEALTH SERVICES AS THE COUNTY LONG-
5 TERM MEDICAL CARE FACILITY IN THAT FREESTANDING BUILDING. An
6 exemption under this section shall be granted until January 1,
7 2008, regardless of whether the addition is licensed as a nursing
8 home or skilled nursing facility under part 217 of the public
9 health code, 1978 PA 368, MCL 333.21701 to 333.21799e, or whether
10 the addition meets the requirements set forth in subsection (1).

11 (b) "Nonprofit hospital" does not include the following:

12 (i) ~~A~~ EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION

13 (3) (A) (iii), A freestanding building or other real property of a
14 nursing home or skilled nursing facility licensed under part 217 of
15 the public health code, 1978 PA 368, MCL 333.21701 to 333.21799e.

16 (ii) A hospice licensed under part 214 of the public health
17 code, 1978 PA 368, MCL 333.21401 to 333.21420.

18 (iii) A home for the aged licensed under part 213 of the
19 public health code, 1978 PA 368, MCL 333.21301 to 333.21335.

20 (c) "Medical attention" means that level of medical care in
21 which a physician provides acute care or active treatment of
22 medical, surgical, obstetrical, psychiatric, chronic, or
23 rehabilitative conditions, that require the observation, diagnosis,
24 and daily treatment by a physician.

25 Enacting section 1. This amendatory act is retroactive and
26 effective for taxes levied after December 31, 2012.