

SUBSTITUTE FOR
SENATE BILL NO. 887

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4EE. A PERSON ENGAGED IN THE BUSINESS OF CONSTRUCTING,
2 ALTERING, REPAIRING, OR IMPROVING REAL ESTATE FOR OTHERS IS NOT
3 LIABLE FOR THE TAX LEVIED UNDER THIS ACT FOR STORING, USING, OR
4 CONSUMING TANGIBLE PERSONAL PROPERTY ACQUIRED FROM ANOTHER PERSON
5 TO THE EXTENT THAT THE TANGIBLE PERSONAL PROPERTY WAS PURCHASED BY
6 THAT OTHER PERSON AND THAT PERSON IS NOT EXEMPT FROM THE TAX LEVIED
7 UNDER THIS ACT OR THE GENERAL SALES TAX ACT, 1933 PA 167, MCL
8 205.51 TO 205.78, AND THAT TANGIBLE PERSONAL PROPERTY WAS ACQUIRED
9 BY THE PERSON ENGAGED IN THE BUSINESS OF CONSTRUCTING, ALTERING,
10 REPAIRING, OR IMPROVING REAL ESTATE FOR OTHERS FOR THE SOLE PURPOSE

1 OF AFFIXING THAT TANGIBLE PERSONAL PROPERTY TO REAL ESTATE ON
2 BEHALF OF THAT OTHER PERSON.

3 Enacting section 1. It is the intent of the legislature that
4 this amendatory act clarifies that existing law as originally
5 intended provides that the tax levied under this act does not apply
6 to tangible personal property acquired by a person engaged in the
7 business of installing tangible personal property if that tangible
8 personal property is purchased by another for installation on
9 behalf of that other person.