

HOUSE BILL NO. 5482

February 22, 2024, Introduced by Rep. Schriver and referred to the Committee on Government Operations.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4s (MCL 205.94s), as amended by 2016 PA 373.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4s. (1) For taxes levied after June 30, 1999, the tax
2 levied under this act does not apply to property purchased by a
3 person engaged in the business of constructing, altering,
4 repairing, or improving real estate for others to the extent that
5 the property is affixed to and made a structural part of a
6 nonprofit hospital or a nonprofit housing entity qualified as

1 exempt under section 15a of the state housing development authority
 2 act of 1966, 1966 PA 346, MCL 125.1415a. For purposes of a county
 3 long-term medical care facility, "affixed to and made a structural
 4 part of" means any physical connection to an existing county long-
 5 term medical care facility.

6 (2) An exemption ~~shall~~**must** not be granted under this section
 7 for any portion of property otherwise qualifying for exemption
 8 under this section if income or a benefit inures directly or
 9 indirectly to an individual, private stockholder, or other private
 10 person from the independent or nonessential operation of that
 11 portion of property.

12 (3) As used in this section:

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

14 (i) That portion of a building to which 1 of the following
 15 applies:

16 (A) Is owned or operated by an entity exempt under section
 17 501(c) (3) of the internal revenue code **of 1986**, 26 USC 501, that is
 18 licensed as a hospital under part 215 of the public health code,
 19 1978 PA 368, MCL 333.21501 to 333.21571.

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

22 (C) Is owned or operated by an entity or entities exempt under
 23 section 501(c) (2) or (3) of the internal revenue code **of 1986**, 26
 24 USC 501, in which medical attention is provided.

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

28 (iii) A county long-term medical care facility, including any
 29 addition to an existing county long-term medical care facility, if

1 the addition is owned and operated by the county long-term medical
 2 care facility and offers health services provided by the county
 3 long-term medical care facility. For purposes of this subparagraph,
 4 "addition" includes a freestanding building as long as that
 5 freestanding building is operated under the same license held by
 6 the county long-term medical care facility and continues to offer
 7 the same health services as the county long-term medical care
 8 facility in that freestanding building. An exemption under this
 9 section ~~shall~~**must** be granted until January 1, 2008 regardless of
 10 whether the addition is licensed as a nursing home or skilled
 11 nursing facility under part 217 of the public health code, 1978 PA
 12 368, MCL 333.21701 to 333.21799e, or whether the addition meets the
 13 requirements set forth in subsection (1).

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

15 (i) Except as otherwise provided under subsection (3) (a) (iii), a
 16 freestanding building or other real property of a nursing home or
 17 skilled nursing facility licensed under part 217 of the public
 18 health code, 1978 PA 368, MCL 333.21701 to 333.21799e.

19 (ii) A hospice licensed under part 214 of the public health
 20 code, 1978 PA 368, MCL 333.21401 to ~~333.21420~~**333.21419**.

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

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

28 Enacting section 1. This amendatory act does not take effect
 29 unless Senate Bill No. ____ or House Bill No. 5477 (request no.

1 01038'23) of the 102nd Legislature is enacted into law.