

**QUALIFIED HEAVY EQUIPMENT RENTAL PERSONAL PROPERTY SPECIFIC TAX ACT
(EXCERPT)
Act 35 of 2022**

211.1125 Qualified heavy equipment rental personal property specific tax; levy; amount; collection and remission by qualified renter; exception; rate adjustment.

Sec. 5.

(1) Beginning January 1, 2023, in addition to all other taxes, the qualified heavy equipment rental personal property specific tax is levied on each transaction of a qualified renter for renting eligible personal property as provided in this section.

(2) The tax under this section is a state specific tax imposed directly on the customer of a qualified renter in an amount equal to 2% of the rental price of the eligible personal property net of any customer credits given at the end of the rental.

(3) A qualified renter shall collect the tax under this section as part of each rental payment made by the customer renting the eligible personal property and shall remit the tax to the department as provided in this act.

(4) The tax under this section does not apply to the rental of eligible personal property to the United States or any agency, department, administration, or political subdivision of the United States, to any federally recognized Indian tribes, to this state, to any local governmental entity in this state, or to any other public body corporate in this state.

(5) Before October 1, 2024, the department shall divide the total 2020, 2021, and 2022 property tax by the total 2020, 2021, and 2022 calculated specific tax as reported under section 9p(2)(c) of the general property tax act, 1893 PA 206, MCL 211.9p. If the result is less than 0.95 or greater than 1.05, the specific tax rate under this act for 2025 and subsequent years must equal the result multiplied by 2%, rounded to the nearest hundredth of a percent.

History: 2022, Act 35, Eff. Mar. 23, 2022