



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

SALES/USE TAX: READY-MIX TRUCKS

RECEIVED

OCT 08 1990

House Bills 5015 and 5016

Sponsor: Rep. Jerry C. Bartnik

Committee: Taxation

Mich. State Law Library

Complete to 8-3-90

A SUMMARY OF HOUSE BILLS 5015 AND 5016 AS INTRODUCED 7-28-89

Goods sold to industrial processors for use or consumption in industrial processing are exempt from taxation under the Sales and Use Tax acts. The acts, however, specifically exclude from the exemption such things as office equipment and "vehicles licensed and titled for use on public highways." The bills would specify that "property used or consumed in industrial processing includes concrete ready-mix trucks and any parts or accessories," thus exempting them from the taxes.

(The acts define an industrial processor as "a person who transforms, alters, or modifies tangible personal property by changing the form, composition, or character of the property for ultimate sale at retail or sale to another industrial processor to be further processed for ultimate sale at retail." Generally speaking, the sales tax applies to purchases of goods within the state and the use tax to purchases of goods outside the state for use inside the state.)

House Bill 5015 would amend the Use Tax Act (MCL 205.94). House Bill 5016 would amend the General Sales Tax Act (MCL 205.54a).

House Bills 5015 and 5016 (8-3-90)