

Act No. 86  
Public Acts of 1990  
Approved by the Governor  
May 29, 1990  
Filed with the Secretary of State  
May 30, 1990

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1990**

Introduced by Reps. Pitoniak, Joe Young, Jr., Wartner, DeMars and Munsell

## **ENROLLED HOUSE BILL No. 5312**

AN ACT to amend section 3 of Act No. 94 of the Public Acts of 1937, entitled as amended "An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," as amended by Act No. 178 of the Public Acts of 1984, being section 205.93 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Section 3 of Act No. 94 of the Public Acts of 1937, as amended by Act No. 178 of the Public Acts of 1984, being section 205.93 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 3. (1) There is levied upon and there shall be collected from every person in this state a specific tax for the privilege of using, storing, or consuming tangible personal property in this state, which tax shall be equal to 4% of the price of the property, or services specified in section 3a, and to the tax there shall be added penalties and interest where applicable as provided in this act. For the purpose of the proper administration of this act and to prevent the evasion of the tax, it is presumed that tangible personal property purchased shall be subject to the tax if brought into the state within 90 days of the purchase date and is considered as acquired for storage, use, or other consumption in this state.

(2) The tax imposed by this section for the privilege of using, storing, or consuming a vehicle, ORV, mobile home, aircraft, snowmobile, or watercraft shall be collected before the transfer of the vehicle, ORV, mobile home, aircraft, snowmobile, or watercraft, except transfers to a licensed dealer or retailer for purposes of resale that arises by reason of a transaction made by a person who does not transfer vehicles, ORV's, mobile homes, aircraft, snowmobiles, or watercraft in the ordinary course of his or her business done in this state. The tax on a vehicle, ORV, snowmobile, and watercraft shall be collected by the secretary of state before the transfer of the vehicle, ORV, snowmobile, or watercraft registration. The tax on a mobile home shall be collected by the department of commerce, mobile home commission, or its agent before the transfer of the certificate of title. The tax on an aircraft shall be collected by the department of treasury. Notwithstanding any limitation contained in section 2, the price tax base of any vehicle, ORV, mobile home, aircraft, snowmobile, or watercraft subject to taxation under this act shall be not less than its retail dollar value at the time of acquisition thereof as fixed pursuant to rules promulgated by the department.

(3) The following transfers or purchases are not subject to use tax:

- (a) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child of the transferor.
- (b) When the transfer is a gift to a beneficiary in the administration of an estate.
- (c) When a vehicle, ORV, mobile home, aircraft, snowmobile, or watercraft that has once been subjected to the Michigan sales or use tax is transferred in connection with the organization, reorganization, dissolution, or partial liquidation of an incorporated or unincorporated business and the beneficial ownership is not changed.

(d) When an insurance company licensed to conduct business in this state acquires ownership of a late model distressed vehicle as defined in section 12a of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being section 257.12a of the Michigan Compiled Laws, through payment of damages in response to a claim or when the person who owned the vehicle before the insurance company reacquires ownership from the company as part of the settlement of a claim.

(4) The department may utilize the services, information, or records of any other department or agency of the state government in the performance of its duties under this act, and other departments or agencies of the state government are required to furnish those services, information, or records upon the request of the department.

Section 2. This amendatory act shall take effect January 1, 1990.

Section 3. This amendatory act shall not take effect unless House Bill No. 5234 of the 85th Legislature is enacted into law.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.