

# HOUSE BILL No. 5312

November 30, 1989, Introduced by Reps. Pitoniak, Joe Young, Jr., Wartner, DeMars and Munsell and referred to the Committee on Transportation.

A bill to amend section 3 of Act No. 94 of the Public Acts of 1937, entitled as amended

"Use tax 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:

1 Section 1. Section 3 of Act No. 94 of the Public Acts of  
2 1937, as amended by Act No. 178 of the Public Acts of 1984, being  
3 section 205.93 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 3. (1) There is levied upon and there shall be col-  
6 lected from every person in this state a specific tax for the  
7 privilege of using, storing, or consuming tangible personal  
8 property in this state, which tax shall be equal to 4% of the  
9 price of the property, or services specified in section 3a, and

1 to the tax there shall be added penalties and interest where  
2 applicable as provided in this act. For the purpose of the  
3 proper administration of this act and to prevent the evasion of  
4 the tax, it ~~shall be~~ IS presumed that tangible personal prop-  
5 erty purchased shall be subject to the tax if brought into the  
6 state within 90 days of the purchase date and ~~shall be~~ IS con-  
7 sidered as acquired for storage, use, or other consumption in  
8 this state.

9 (2) The tax imposed by this section for the privilege of  
10 using, storing, or consuming a vehicle, ORV, mobile home, air-  
11 craft, snowmobile, or watercraft shall be collected ~~prior to~~  
12 BEFORE the transfer of the vehicle, ORV, mobile home, aircraft,  
13 snowmobile, or watercraft, except transfers to a licensed dealer  
14 or retailer for purposes of resale ~~that~~ that arises by reason of a  
15 transaction made by a person who does not transfer vehicles,  
16 ORV's, mobile homes, aircraft, snowmobiles, or watercraft in the  
17 ordinary course of his or her business done in this state. The  
18 tax on a vehicle, ORV, snowmobile, and ~~a~~ watercraft shall be  
19 collected by the secretary of state before the transfer of ~~any~~  
20 THE vehicle, ORV, snowmobile, or watercraft registration. The  
21 tax on a mobile home shall be collected by the department of com-  
22 merce, mobile home commission, or its agent before the transfer  
23 of the certificate of title. The tax on an aircraft shall be  
24 collected by the department of treasury. Notwithstanding any  
25 limitation contained in section 2, the price tax base of any  
26 vehicle, ORV, mobile home, aircraft, snowmobile, or watercraft  
27 subject to taxation under this act ~~except as authorized by~~

1 ~~section 2(f) on and after January 1, 1984 and until the effective~~  
2 ~~date of this 1984 amendatory act, for a motor vehicle, trailer~~  
3 ~~coach, or titled watercraft,~~ shall be not less than its retail  
4 dollar value at the time of acquisition thereof as fixed pursuant  
5 to rules promulgated by the department.

6 (3) ~~No use tax shall be payable in cases of transfer or~~  
7 ~~purchase~~ THE FOLLOWING TRANSFERS OR PURCHASES ARE NOT SUBJECT TO  
8 USE TAX:

9 (a) When the transferee or purchaser is the spouse, mother,  
10 father, brother, sister, or child of the transferor.

11 (b) When the transfer is a gift to a beneficiary in the  
12 administration of an estate.

13 (c) When a vehicle, ORV, mobile home, aircraft, snowmobile,  
14 or watercraft ~~which~~ THAT has once been subjected to the  
15 Michigan sales or use tax is transferred in connection with the  
16 organization, reorganization, dissolution, or partial liquidation  
17 of an incorporated or unincorporated business and the beneficial  
18 ownership is not changed.

19 (D) WHEN AN INSURANCE COMPANY LICENSED TO CONDUCT BUSINESS  
20 IN THIS STATE ACQUIRES OWNERSHIP OF A LATE MODEL DISTRESSED VEHI-  
21 CLE AS DEFINED IN SECTION 12A OF THE MICHIGAN VEHICLE CODE, ACT  
22 NO. 300 OF THE PUBLIC ACTS OF 1949, BEING SECTION 257.12A OF THE  
23 MICHIGAN COMPILED LAWS, THROUGH PAYMENT OF DAMAGES IN RESPONSE TO  
24 A CLAIM OR WHEN THE PERSON WHO OWNED THE VEHICLE BEFORE THE  
25 INSURANCE COMPANY REACQUIRES OWNERSHIP FROM THE COMPANY AS PART  
26 OF THE SETTLEMENT OF A CLAIM.

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

7           Section 2. This amendatory act shall take effect January 1,  
8 1990.

9           Section 3. This amendatory act shall not take effect unless  
10 Senate Bill No. \_\_\_\_\_ or House Bill No. 5234 (request  
11 no. 03589'89)<sup>\*</sup> of the 85th Legislature is enacted into law.