

# HOUSE BILL No. 5374

December 13, 1989, Introduced by Reps. Camp, Emmons, Munsell, Wartner, Law, Walberg, Giese, Strand, Randall, Willis Bullard, Van Singel, Power, Stacey and Dolan and referred to the Committee on Taxation.

A bill to amend Act No. 167 of the Public Acts of 1933,  
entitled as amended

"General sales tax act,"

as amended, being sections 205.51 to 205.78 of the Michigan  
Compiled Laws, by adding section 4n.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Act No. 167 of the Public Acts of 1933, as  
2 amended, being sections 205.51 to 205.78 of the Michigan Compiled  
3 Laws, is amended by adding section 4n to read as follows:

4       SEC. 4N. (1) A PERSON SUBJECT TO TAX UNDER THIS ACT MAY  
5 EXCLUDE FROM GROSS PROCEEDS USED FOR THE COMPUTATION OF THE TAX  
6 SALES OF TANGIBLE PERSONAL PROPERTY TO A NONPROFIT ORGANIZATION  
7 WITH AN EXEMPTION CERTIFICATE THAT IS ORGANIZED FOR THE PURPOSE  
8 OF EDUCATING THE PUBLIC AND ENGAGING IN PUBLIC POLICY RESEARCH

1 AND THAT IS NOT AFFILIATED WITH A PUBLIC OR PRIVATE INSTITUTION  
2 OF HIGHER EDUCATION.

3 (2) A NONPROFIT ORGANIZATION MAY APPLY TO THE DEPARTMENT OF  
4 TREASURY FOR AN EXEMPTION CERTIFICATE. IF THE DEPARTMENT OF  
5 TREASURY DETERMINES THAT THE NONPROFIT ORGANIZATION IS ELIGIBLE  
6 UNDER THIS SECTION, THE DEPARTMENT SHALL ISSUE AN EXEMPTION CER-  
7 TIFICATE EFFECTIVE FOR A PERIOD OF 3 YEARS. THE NONPROFIT ORGA-  
8 NIZATION MAY REAPPLY FOR AN EXTENSION EVERY 3 YEARS ON A FORM  
9 THAT THE DEPARTMENT SHALL MAIL BEFORE THE END OF THE 3-YEAR  
10 PERIOD TO EACH ORGANIZATION HOLDING AN EXEMPTION CERTIFICATE.  
11 THE FORM SHALL INCLUDE THE EXPIRATION DATE, A RENEWAL APPLICA-  
12 TION, AND EXPLICIT DIRECTIONS FOR RENEWING THE EXEMPTION  
13 CERTIFICATE.

14 (3) THE DEPARTMENT OF TREASURY SHALL REVIEW ANNUALLY EACH  
15 NONPROFIT ORGANIZATION THAT HAS AN EXEMPTION CERTIFICATE UNDER  
16 THIS SECTION TO DETERMINE IF THE ORGANIZATION IS STILL ELIGIBLE  
17 FOR THE EXEMPTION CERTIFICATE.

18 (4) THE DEPARTMENT OF TREASURY SHALL PROVIDE ANNUALLY TO THE  
19 COMMITTEES IN THE SENATE AND THE HOUSE OF REPRESENTATIVES RESPON-  
20 SIBLE FOR TAXATION A REPORT INCLUDING A LIST OF THE ORGANIZATIONS  
21 HOLDING AN EXEMPTION CERTIFICATE UNDER THIS SECTION AND A LIST OF  
22 ORGANIZATIONS THAT APPLIED FOR AN EXEMPTION CERTIFICATE UNDER  
23 THIS SECTION BUT WERE DENIED AND THE REASONS FOR DENIAL.