

HOUSE BILL No. 5556

March 5, 1990, Introduced by Rep. Hoffman and referred to the Committee on Taxation.

A bill to amend section 3 of Act No. 301 of the Public Acts of 1939, entitled as amended

"An act to provide for the imposition and the collection of a specific tax upon the privilege of ownership of intangible personal property and on certain enterprises having possession of intangible personal property of another; to define owners of intangible personal property; to provide for the disposition of the proceeds thereof; to prescribe the powers and duties of the department of revenue with respect thereto; to prescribe penalties; to make an appropriation to carry out the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act,"

being section 205.133 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 301 of the Public Acts of
2 1939, being section 205.133 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 3. (1) ~~(a)~~ In computing the tax imposed under this
5 act for a tax year, the following deductions may be made:

1 (A) ~~(1)~~ Beginning with the calendar year 1973, or a fiscal
2 year ending after June 30, 1973, from the total tax as computed
3 ~~in accordance with~~ UNDER section 2, the sum of \$175.00. The
4 total deduction from the tax by a husband and wife filing a joint
5 return shall not exceed \$350.00. For a tax return covering a
6 period of less than 1 year, the deduction shall be reduced
7 proportionately. The deduction ~~shall not be~~ IS NOT allowed in
8 connection with the tax imposed under this act on ~~moneys~~ MONEY
9 on hand or in transit or on deposit in a bank or shares of stock
10 in building and loan or savings and loan associations.

11 (B) ~~(2)~~ From real estate mortgages receivable and land
12 contracts receivable, mortgages payable and land contracts pay-
13 able on the same property covered by the mortgage or land con-
14 tract receivable.

15 (C) FROM INVESTMENT INCOME, INVESTMENT INTEREST AS THAT TERM
16 IS DEFINED AND USED UNDER SECTION 163 OF THE INTERNAL REVENUE
17 CODE, INCLUDING THE CARRYFORWARD ALLOWED UNDER SECTION 163 OF THE
18 INTERNAL REVENUE CODE.

19 (2) ~~(b)~~ The following ~~shall be~~ IS exempt from the tax
20 imposed by this act:

21 (A) ~~(1)~~ Mortgages and land contracts and the evidences of
22 indebtedness secured thereby upon which the specific tax imposed
23 by FORMER Act No. 91 of the Public Acts of 1911 ~~, as amended,~~
24 ~~being sections 3640 to 3649 of the Compiled Laws of 1929,~~ has
25 been paid before September 29, 1939. ~~, or a~~

26 (B) A debt or obligation ~~which is~~ secured by a mortgage
27 upon the real estate ~~as may be~~ owned and occupied by A library,

1 armory, OR A benevolent, charitable, educational, ~~and~~ OR
 2 scientific ~~institutions~~ INSTITUTION, incorporated under the
 3 laws of this state, with the buildings and other property
 4 ~~thereon~~ ON THE REAL ESTATE, while occupied by ~~them~~ THE
 5 LIBRARY, ARMORY, OR BENEVOLENT, CHARITABLE, EDUCATIONAL, OR SCI-
 6 ENTIFIC INSTITUTION solely for the purposes for which they were
 7 incorporated. ~~or~~

8 (C) A DEBT OR OBLIGATION secured by a mortgage upon a house
 9 of public worship with the land on which ~~it~~ THE HOUSE OF PUBLIC
 10 WORSHIP stands, the furniture ~~therein~~ IN THE HOUSE OF PUBLIC
 11 WORSHIP, or ~~any~~ A parsonage owned and occupied as a parsonage
 12 by ~~any~~ A regularly organized religious society of this state.

13 (D) ~~(2)~~ Bonds, notes, debts, or written or printed obliga-
 14 tions upon which the specific tax imposed by FORMER Act No. 142
 15 of the Public Acts of 1913, ~~as amended, being sections 3654 to~~
 16 ~~3658 of the Compiled Laws of 1929,~~ was paid before September 29,
 17 1939.

18 (E) ~~(3)~~ Bonds or other similar obligations of the state or
 19 of a political subdivision of the state.

20 (F) ~~(4)~~ Obligations of the United States, or guaranteed as
 21 to principal or interest by the United States, which are exempt
 22 from taxation by reason of AN act of congress. The term "United
 23 States" includes a possession, agency, or instrumentality of the
 24 United States.

25 (G) ~~(5)~~ Bonds, mortgages, ~~and~~ OR other certificates of
 26 indebtedness made and issued by a municipality, organization, or

1 private individual for the purpose of erecting armories in this
2 state.

3 (H) ~~(6)~~ Intangible personal property belonging to benevo-
4 lent, charitable, religious, educational, ~~and~~ OR nonprofit sci-
5 entific institutions incorporated under the laws of this state.
6 This exemption ~~shall~~ DOES not apply to secret or fraternal
7 societies, ~~—~~ but the intangible personal property of charitable
8 homes of those societies ~~shall be~~ IS exempt.

9 (I) ~~(7)~~ Intangible personal property belonging to posts of
10 the Grand Army of the Republic, sons of veterans' unions, ~~and~~
11 ~~of~~ OR the women's relief corps connected ~~therewith, of all~~
12 WITH THEM, OR young men's Christian associations, young women's
13 Christian associations, women's Christian temperance union asso-
14 ciations, young people's Christian unions, ~~and~~ OR similar
15 associations.

16 (J) ~~(8)~~ Pensions, including ~~so-called~~ annuities ~~—~~
17 payable under old age, retirement, or pension provisions of a
18 public authority or private employer, irrespective of the source
19 of contributions ~~thereto. All intangible~~ TO THE PENSIONS.

20 (K) INTANGIBLE personal property comprising all or a part of
21 the assets of stock bonus, pension, or profit sharing plans or
22 trusts ~~which~~ THAT qualify for exemption from federal income
23 taxes under the internal revenue code. ~~, cash~~

24 (L) CASH surrender values and loan values of insurance
25 policies. ~~, annuities~~

1 (M) ANNUITIES before the time when the periodic payments
2 ~~thereunder shall actually~~ UNDER THE ANNUITIES commence. ~~, and~~
3 ~~royalties.~~

4 (N) ROYALTIES.

5 (O) ~~(9)~~ Intangible personal property belonging to domestic
6 ~~and~~ OR foreign insurance companies ~~and~~ OR annuity companies
7 lawfully doing business in this state.

8 (P) ~~(10)~~ Intangible personal property belonging to rail-
9 road companies, union station and depot companies, telegraph com-
10 panies, telephone companies, sleeping car companies, express com-
11 panies, car loaning companies, stock car companies, refrigerator
12 car companies, fast freight LINE companies, ~~and all~~ OR other
13 companies paying the tax assessed and levied under Act No. 282 of
14 the Public Acts of 1905, as amended, being sections 207.1 to
15 207.21 of the Michigan Compiled Laws.

16 (Q) ~~(11)~~ Intangible personal property belonging to ~~banks,~~
17 ~~national~~ 1 OR MORE OF THE FOLLOWING ENTITIES DOING BUSINESS IN
18 THIS STATE UNDER WHATEVER AUTHORITY ORGANIZED:

19 (i) BANKS.

20 (ii) NATIONAL banking associations. ~~, savings~~

21 (iii) SAVINGS and loan associations. ~~, savings~~

22 (iv) SAVINGS and loan holding companies as defined in ~~+2~~
23 U.S.C. 1730a, ~~which pursuant to that section controls a savings~~
24 ~~and loan association subsidiary located in this state, trust~~

25 SECTION 10(a)(1)(D) OF THE HOME OWNERS' LOAN ACT, 12

26 U.S.C. 1467a.

1 (v) TRUST companies. ~~, and incorporated~~

2 (vi) INCORPORATED bank holding companies as defined in
 3 SECTION 2 OF THE BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240,
 4 70 STAT. 133, 12 U.S.C. 1841, which pursuant to ~~that~~ section
 5 ~~control~~ 2 OF THE BANK HOLDING COMPANY ACT OF 1956, CONTROLS a
 6 bank, national banking association, trust company, or industrial
 7 bank subsidiary located in this state. ~~, doing business in this~~
 8 ~~state under whatever authority organized.~~

9 (R) ~~(+2)~~ Intangible personal property owned by or compris-
 10 ing the assets of a person ~~or business enterprise~~ engaged in
 11 business activity as defined by section 3 of THE SINGLE BUSINESS
 12 TAX ACT, Act No. 228 of the Public Acts of 1975, as amended,
 13 being section 208.3 of the Michigan Compiled Laws, if ~~were~~
 14 THE income received from ~~such~~ THAT intangible personal proper-
 15 ty, ~~it~~ IF ANY, would be considered, even if deducted or
 16 excluded, in determining the amount, even if zero or negative, of
 17 business income as defined by section 3 of ~~that act~~ ACT NO. 228
 18 OF THE PUBLIC ACTS OF 1975.

19 (S) ~~(+2a)~~ Intangible personal property belonging to credit
 20 unions doing business in this state under ~~whatever authority~~
 21 ~~organized~~ ACT NO. 285 OF THE PUBLIC ACTS OF 1925, BEING SECTIONS
 22 490.1 TO 490.31 OF THE MICHIGAN COMPILED LAWS.

23 (T) ~~(+3)~~ Intangible personal property ~~which~~ THAT repre-
 24 sents other property taxed under this act or other laws of this
 25 state and is so closely identified ~~therewith~~ WITH THAT PROPERTY
 26 that to impose an additional tax under this act would be
 27 unconstitutional as double taxation.

1 (U) ~~(+)~~ Shares of stock in banks, trust companies, ~~and~~
2 OR national banking associations.