

SENATE BILL No. 347

April 20, 1989, Introduced by Senators FAXON, CRUCE, EHLERS, GEO. HART, FREDRICKS, MILLER, SCHWARZ, BINSFELD, ENGLER, SEDERBURG, BARCIA, WELBORN, CROPSEY, NICHOLS, HOLMES, J. HART, KELLY, DI NELLO, GAST, N. SMITH, GEAKE and O'BRIEN and referred to the Committee on Finance.

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, AND THROUGH THE CALENDAR YEAR
 3 1989, OR A FISCAL YEAR ENDING BEFORE JULY 1, 1989, from the total
 4 tax as computed in accordance with section 2, the sum of
 5 \$175.00. The total deduction from the tax by a husband and wife
 6 filing a joint return DURING THAT PERIOD shall not exceed
 7 \$350.00. BEGINNING WITH THE CALENDAR YEAR 1990, OR A FISCAL YEAR
 8 ENDING AFTER JUNE 30, 1989, FROM THE TOTAL TAX AS COMPUTED IN
 9 ACCORDANCE WITH SECTION 2, THE SUM OF \$250.00 MAY BE DEDUCTED,
 10 BUT THE TOTAL DEDUCTION FROM THE TAX BY A HUSBAND AND WIFE FILING
 11 A JOINT RETURN SHALL NOT EXCEED \$500.00. For a tax return cover-
 12 ing a period of less than 1 year, the deduction shall be reduced
 13 proportionately. The deduction shall not be allowed in connec-
 14 tion with the tax imposed under this act on ~~moneys~~ MONEY on
 15 hand, ~~or~~ in transit, or on deposit in a bank or shares of stock
 16 in building and loan or savings and loan associations.

17 (B) ~~(2)~~ From real estate mortgages receivable and land
 18 contracts receivable, mortgages payable and land contracts pay-
 19 able on the same property covered by the mortgage or land con-
 20 tract receivable.

21 (2) ~~(b)~~ The following ~~shall be~~ ARE exempt from the tax
 22 imposed by this act:

23 (A) ~~(1)~~ Mortgages and land contracts and the evidences of
 24 indebtedness secured ~~thereby~~ BY THEM upon which the specific
 25 tax imposed by FORMER Act No. 91 of the Public Acts of 1911 ~~, as~~
 26 ~~amended, being sections 3640 to 3649 of the Compiled Laws of~~
 27 ~~1929,~~ has been paid before September 29, 1939; ~~or~~ a debt or

1 obligation ~~which~~ THAT is secured by a mortgage upon the real
 2 estate as may be owned and occupied by library, armory, benevo-
 3 lent, charitable, educational, and scientific institutions,
 4 incorporated under the laws of this state, with the buildings and
 5 other property ~~thereon~~ ON THE REAL ESTATE, while occupied by
 6 them solely for the purposes for which they were incorporated; or
 7 A DEBT OR OBLIGATION secured by a mortgage upon a house of public
 8 worship with the land on which it stands, the furniture ~~therein~~
 9 IN THE HOUSE OF PUBLIC WORSHIP, or ~~any~~ A parsonage owned and
 10 occupied as a parsonage by ~~any~~ A regularly organized religious
 11 society of this state.

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

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

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

24 (E) ~~(5)~~ Bonds, mortgages, and other certificates of
 25 indebtedness made and issued by a municipality, organization, or
 26 private individual for the purpose of erecting armories in this
 27 state.

1 (F) ~~-(6)-~~ Intangible personal property belonging to
 2 benevolent, charitable, religious, educational, and nonprofit
 3 scientific institutions incorporated under the laws of this
 4 state. This exemption ~~shall~~ DOES not apply to secret or fra-
 5 ternal societies, ~~—~~ but the intangible personal property of
 6 charitable homes of those societies ~~shall be~~ IS exempt.

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

14 (H) ~~-(8)-~~ Pensions, including so-called "annuities" payable
 15 under old age, retirement, or pension provisions of a public
 16 authority or private employer, irrespective of the source of con-
 17 tributions ~~thereto. All~~ TO THEM; ALL intangible personal prop-
 18 erty comprising all or a part of the assets of stock bonus, pen-
 19 sion, or profit sharing plans or trusts ~~which~~ THAT qualify for
 20 exemption from federal income taxes under the internal revenue
 21 code; cash surrender values and loan values of insurance poli-
 22 cies; annuities before the time when the periodic payments
 23 ~~thereunder shall~~ OF THE ANNUITIES actually ~~commence,~~
 24 COMMENCES; and royalties.

25 (I) ~~-(9)-~~ Intangible personal property belonging to domestic
 26 and foreign insurance companies and annuity companies lawfully
 27 doing business in this state.

1 (J) ~~(+10)~~ Intangible personal property belonging to
2 railroad companies, union station and depot companies, telegraph
3 companies, telephone companies, sleeping car companies, express
4 companies, car loaning companies, stock car companies, refrigera-
5 tor car companies, fast freight companies, and all other com-
6 panies paying the tax assessed and levied under Act No. 282 of
7 the Public Acts of 1905, as amended, being sections 207.1 to
8 207.21 of the Michigan Compiled Laws.

9 (K) ~~(+11)~~ Intangible personal property belonging to banks,
10 national banking associations, savings and loan associations,
11 savings and loan holding companies as defined in SECTION 408 OF
12 TITLE IV OF THE NATIONAL HOUSING ACT, 12 U.S.C. 1730a, which pur-
13 suant to that section ~~controls~~ CONTROL a savings and loan asso-
14 ciation subsidiary located in this state, trust companies, and
15 incorporated bank holding companies as defined in SECTION 2 OF
16 THE BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240, 70 STAT. 133,
17 12 U.S.C. 1841, which pursuant to that section control a bank,
18 national banking association, trust company, or industrial bank
19 subsidiary located in this state, doing business in this state
20 under whatever authority organized.

21 (L) ~~(+12)~~ Intangible personal property owned by or compris-
22 ing the assets of a person or business enterprise engaged in
23 business activity as defined by section 3 of THE SINGLE BUSINESS
24 TAX ACT, Act No. 228 of the Public Acts of 1975, as amended,
25 being section 208.3 of the Michigan Compiled Laws, if, were
26 income received from ~~such~~ THAT intangible personal property, it
27 would be considered, even if deducted or excluded, in determining

1 the amount, even if zero or negative, of business income as
2 defined by section 3 of ~~that act~~ ACT NO. 228 OF THE PUBLIC ACTS
3 OF 1975.

4 (M) ~~(+2a)~~ Intangible personal property belonging to credit
5 unions doing business in this state under whatever authority
6 organized.

7 (N) ~~(+3)~~ Intangible personal property ~~which~~ THAT repre-
8 sents other property taxed under this act or other laws of this
9 state and is so closely identified ~~therewith~~ TO THAT PROPERTY
10 that to impose an additional tax under this act would be uncon-
11 stitutional as double taxation.

12 (O) ~~(+4)~~ Shares of stock in banks, trust companies, and
13 national banking associations.