

# SENATE BILL NO. 132

March 02, 2023, Introduced by Senators SHINK, CHANG, SINGH, GEISS, KLINEFELT, MCDONALD RIVET and BRINKS and referred to the Committee on Economic and Community Development.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4d (MCL 205.54d), as amended by 2017 PA 48.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 4d. The following are exempt from the tax under this act:

2           (a) The sale of tangible personal property to a person ~~who~~  
3 **that** is a lessor licensed under the use tax act, 1937 PA 94, MCL  
4 205.91 to 205.111, and whose rental receipts are taxed or  
5 specifically exempt under the use tax act, 1937 PA 94, MCL 205.91  
6 to 205.111.

1 (b) The sale of a vehicle acquired for lending or leasing to a  
2 public or parochial school for use in a course in driver education.

3 (c) The sale of a vehicle purchased by a public or parochial  
4 school if that vehicle is certified for driver education and is not  
5 reassigned for personal use by the school's administrative  
6 personnel.

7 (d) The sale of water through water mains, the sale of water  
8 delivered in bulk tanks in quantities of not less than 500 gallons,  
9 or the sale of bottled water.

10 (e) The sale of tangible personal property to a person for  
11 demonstration purposes. For a dealer selling a new car or truck,  
12 the exemption for demonstration purposes ~~shall be~~ **is** determined by  
13 the number of new cars and trucks sold during the current calendar  
14 year or the immediately preceding year without regard to specific  
15 make or style ~~in accordance with~~ **according to** the following  
16 schedule ~~of~~ **but not to exceed 25 cars and trucks in a calendar year**  
17 **for demonstration purposes:**

18 (i) 0 to 25, 2 units. †

19 (ii) 26 to 100, 7 units. †

20 (iii) 101 to 500, 20 units. †

21 (iv) 501 or more, 25 units. † ~~but not to exceed 25 cars and~~  
22 ~~trucks in a calendar year for demonstration purposes.~~

23 (f) Specific charges for technical support or for adapting or  
24 modifying prewritten computer software programs to a purchaser's  
25 needs or equipment if those charges are separately stated and  
26 identified.

27 (g) The sale of computer software originally designed for the  
28 exclusive use and special needs of the purchaser.

29 (h) The sale of a commercial advertising element if the

1 commercial advertising element is used to create or develop a  
2 print, radio, television, or other advertisement, the commercial  
3 advertising element is discarded or returned to the provider after  
4 the advertising message is completed, and the commercial  
5 advertising element is custom developed by the provider for the  
6 purchaser. As used in this subdivision, "commercial advertising  
7 element" means a negative or positive photographic image, an  
8 audiotape or videotape master, a layout, a manuscript, writing of  
9 copy, a design, artwork, an illustration, retouching, and  
10 mechanical or keyline instructions. This exemption does not include  
11 black and white or full color process separation elements, an  
12 audiotape reproduction, or a videotape reproduction.

13 (i) A sale made outside of the ordinary course of the seller's  
14 business.

15 (j) An isolated transaction by a person not licensed or  
16 required to be licensed under this act, in which tangible personal  
17 property is offered for sale, sold, or transferred and delivered by  
18 the owner.

19 (k) The sale of oxygen for human use dispensed pursuant to a  
20 prescription.

21 (l) The sale of insulin for human use.

22 (m) Before January 1, 2016, the sale of tangible personal  
23 property for use in construction or renovation of a qualified  
24 convention facility under the regional convention facility  
25 authority act, 2008 PA 554, MCL 141.1351 to 141.1379. As used in  
26 this subdivision, "qualified convention facility" means that term  
27 as defined in section 5 of the regional convention facility  
28 authority act, 2008 PA 554, MCL 141.1355.

29 (n) The sale of tangible personal property for use in eligible

1 activities described in section ~~2(e)(iv)~~ **2(o)(v)** of the brownfield  
2 redevelopment financing act, 1996 PA 381, MCL 125.2652, on eligible  
3 property that is included in a transformational brownfield plan, to  
4 the extent that the tangible personal property will be affixed to  
5 and made a structural part of the real property or infrastructure  
6 improvements included within the transformational brownfield plan.  
7 As used in this subdivision, "eligible property", "infrastructure  
8 improvements", and "transformational brownfield plan" mean those  
9 terms as defined in section 2 of the brownfield redevelopment  
10 financing act, 1996 PA 381, MCL 125.2652.

11 Enacting section 1. This amendatory act does not take effect  
12 unless Senate Bill No. 129 of the 102nd Legislature is enacted into  
13 law.