

HOUSE BILL NO. 4884

September 11, 2025, Introduced by Reps. Robinson, Martin, Wozniak, Schuette and Borton and referred to Committee on Health Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 1a (MCL 205.51a), as amended by 2020 PA 46.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1a. As used in this act:
- 2 (a) "Alcoholic beverage" means a beverage suitable for human
- 3 consumption that contains 1/2 of 1% or more of alcohol by volume.
- 4 (b) "Computer" means an electronic device that accepts
- 5 information in digital or similar form and manipulates ~~it~~**-that**

1 **information** for a result based on a sequence of instructions.

2 (c) "Computer software" means a set of coded instructions
3 designed to cause a computer or automatic data processing equipment
4 to perform a task.

5 (d) "Delivered electronically" means delivered from the seller
6 to the purchaser by means other than tangible storage media.

7 (e) "Delivery charges" means charges by the seller for
8 preparation and delivery to a location designated by the purchaser
9 of tangible personal property or services. Delivery charges
10 include, but are not limited to, transportation, shipping, postage,
11 handling, crating, and packing. Beginning **on** September 1, 2004,
12 delivery charges do not include the charges for delivery of direct
13 mail if the charges are separately stated on an invoice or similar
14 billing document given to the purchaser. If a shipment includes
15 both exempt property and taxable property, the seller shall
16 allocate the delivery charge using 1 of the following methods:

17 (i) Multiply the delivery price by a fraction, the numerator of
18 which is the total sales prices of the taxable property and the
19 denominator of which is the total sales prices of all property in
20 the shipment.

21 (ii) Multiply the delivery price by a fraction, the numerator
22 of which is the total weight of the taxable property and the
23 denominator of which is the total weight of all property in the
24 shipment.

25 (f) "Dental prosthesis" means a bridge, crown, denture, or
26 other similar artificial device used to repair or replace intraoral
27 defects such as missing teeth, missing parts of teeth, and missing
28 soft or hard structures of the jaw or palate.

29 (g) "Dietary supplement" means any product, other than

1 tobacco, intended to supplement the diet that is all of the
2 following:

3 (i) Required to be labeled as a dietary supplement identifiable
4 by the ~~"supplement facts"~~ **"Supplement Facts"** box found on the label
5 as required by 21 CFR 101.36.

6 (ii) Contains 1 or more of the following dietary ingredients:

7 (A) A vitamin.

8 (B) A mineral.

9 (C) An herb or other botanical.

10 (D) An amino acid.

11 (E) A dietary substance for use by humans to supplement the
12 diet by increasing the total dietary intake.

13 (F) A concentrate, metabolite, constituent, extract, or
14 combination of any ingredient listed in sub-subparagraphs (A) to
15 (E).

16 (iii) Intended for ingestion in tablet, capsule, powder,
17 softgel, gelcap, or liquid form, or if not intended for ingestion
18 in 1 of those forms, is not represented as conventional food or for
19 use as a sole item of a meal or of the diet.

20 (h) "Direct mail" means printed material delivered or
21 distributed by United States mail or other delivery service to a
22 mass audience or to addressees on a mailing list provided by the
23 purchaser or at the direction of the purchaser if the cost of the
24 items are not billed directly to the recipients, including tangible
25 personal property supplied directly or indirectly by the purchaser
26 to the direct mail seller for inclusion in the package containing
27 the printed material, but not including multiple items of printed
28 material delivered to a single address.

29 (i) "Drug" means a compound, substance, or preparation, or any

component of a compound, substance, or preparation, other than food or food ingredients, dietary supplements, or alcoholic beverages, intended for human use that is 1 or more of the following:

(i) Recognized in the official United States ~~pharmacopoeia,~~
Pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or in any of their supplements.

(ii) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease.

(iii) Intended to affect the structure or any function of the body.

(j) "Durable medical equipment" means equipment for home use, other than mobility enhancing equipment, dispensed ~~pursuant to~~**in accordance with** a prescription, including durable medical equipment repair or replacement parts, that does all of the following:

(i) Can withstand repeated use.

(ii) Is primarily and customarily used to serve a medical purpose.

(iii) Is not useful generally to ~~a person~~**an individual** in the absence of illness or injury.

(iv) Is not worn in or on the body.

(k) "Durable medical equipment repair or replacement parts" includes all components or attachments used in conjunction with durable medical equipment.

(l) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(m) "Lease or rental" means any transfer of possession or control of tangible personal property for a fixed or indeterminate

1 term for consideration and may include future options to purchase
2 or extend. This definition applies only to leases and rentals
3 entered into after September 1, 2004 and has no retroactive impact
4 on leases and rentals that existed on that date. Lease or rental
5 does not include the following subparagraphs (i) to (iii) and
6 includes subparagraph (iv):

7 (i) A transfer of possession or control of tangible personal
8 property under a security agreement or deferred payment plan that
9 requires the transfer of title ~~upon-on~~ completion of the required
10 payments.

11 (ii) A transfer of possession or control of tangible personal
12 property under an agreement requiring transfer of title ~~upon-on~~
13 completion of the required payments and payment of an option price
14 that does not exceed \$100.00 or 1% of the total required payments,
15 whichever is greater.

16 (iii) The provision of tangible personal property along with an
17 operator for a fixed or indeterminate period of time, if that
18 operator is necessary for the equipment to perform as designed. To
19 be necessary, an operator must do more than maintain, inspect, or
20 set up the tangible personal property.

21 (iv) An agreement covering motor vehicles or trailers if the
22 amount of consideration may be increased or decreased by reference
23 to the amount realized ~~upon-on~~ sale or disposition of the property
24 as defined in section 7701(h)(1) of the internal revenue code of
25 1986, 26 USC ~~7701(h)(1)-7701~~.

26 (n) "Mobility enhancing equipment" means equipment, other than
27 durable medical equipment or a motor vehicle or equipment on a
28 motor vehicle normally provided by a motor vehicle manufacturer,
29 dispensed ~~pursuant to~~ **in accordance with** a prescription, including

1 repair or replacement parts for that equipment, that is ~~all~~**both** of
 2 the following:

3 (i) Primarily and customarily used to provide or increase the
 4 ability to move from 1 place to another and is appropriate for use
 5 at home or on a motor vehicle.

6 (ii) Not generally used by a person with normal mobility.

7 (o) "Prescription" means an order, formula, or recipe, issued
 8 in any form of oral, written, electronic, or other means of
 9 transmission by a licensed physician or other health professional
 10 as **that term is** defined in section 3501 of the insurance code of
 11 1956, 1956 PA 218, MCL 500.3501. For a hearing aid, prescription
 12 includes an order, instruction, or direction of a hearing aid
 13 dealer or salesperson. ~~licensed under article 13 of the~~
 14 ~~occupational code, 1980 PA 299, MCL 339.1301 to 339.1309.~~

15 (p) "Prewritten computer software" means computer software,
 16 including prewritten upgrades, that is delivered by any means and
 17 that is not designed and developed by the author or other creator
 18 to the specifications of a specific purchaser. Prewritten computer
 19 software includes **all of** the following:

20 (i) Any combination of 2 or more prewritten computer software
 21 programs or portions of prewritten computer software programs.

22 (ii) Computer software designed and developed by the author or
 23 other creator to the specifications of a specific purchaser if ~~it~~
 24 **the computer software** is sold to a person other than that specific
 25 purchaser.

26 (iii) The modification or enhancement of prewritten computer
 27 software or portions of prewritten computer software if the
 28 modification or enhancement is designed and developed to the
 29 specifications of a specific purchaser unless there is a

1 reasonable, separately stated charge or an invoice or other
2 statement of the price is given to the purchaser for the
3 modification or enhancement. If a person other than the original
4 author or creator modifies or enhances prewritten computer
5 software, that person is considered to be the author or creator of
6 only that person's modifications or enhancements.

7 (q) "Prosthetic device" means, except as provided in section
8 4ff, a replacement, corrective, or supportive device, other than
9 contact lenses and dental prosthesis, dispensed ~~pursuant to~~ **in**
10 **accordance with** a prescription, including repair or replacement
11 parts for that device, worn on or in the body to do 1 or more of
12 the following:

13 (i) Artificially replace a missing portion of the body.

14 (ii) Prevent or correct a physical deformity or malfunction of
15 the body.

16 (iii) Support a weak or deformed portion of the body.

17 (r) "Tangible personal property" means personal property that
18 can be seen, weighed, measured, felt, or touched or that is in any
19 other manner perceptible to the senses and includes electricity,
20 water, gas, steam, and prewritten computer software.

21 (s) "Tobacco" means cigarettes, cigars, chewing or pipe
22 tobacco, or any other item that contains tobacco.

23 Enacting section 1. This amendatory act does not take effect
24 unless House Bill No. 4883 (request no. H02610'25) of the 103rd
25 Legislature is enacted into law.