

# HOUSE BILL NO. 4886

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

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending section 2b (MCL 205.92b), as amended by 2020 PA 47.

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

- 1       Sec. 2b. 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 addresses on a mailing list provided by the  
23 purchaser or at the direction of the purchaser if the cost of the  
24 items is 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

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

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

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

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

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

15 (i) Can withstand repeated use.

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

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

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

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

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

27 (m) "Lease or rental" means any transfer of possession or  
28 control of tangible personal property for a fixed or indeterminate  
29 term for consideration and may include future options to purchase

or extend. This definition applies only to leases and rentals entered into after September 1, 2004 and has no retroactive impact on leases and rentals that existed on that date. Lease or rental does not include the following subparagraphs (i) to (iii) and includes subparagraph (iv):

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

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

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

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

(n) "Mobility enhancing equipment" means equipment, other than durable medical equipment or a motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer, dispensed ~~pursuant to~~ **in accordance with** a prescription, including repair or replacement parts for that equipment, that is ~~all-both~~ of

1 the following:

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

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

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

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

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

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

25 (iii) The modification or enhancement of prewritten computer  
26 software or portions of prewritten computer software if the  
27 modification or enhancement is designed and developed to the  
28 specifications of a specific purchaser unless there is a  
29 reasonable, separately stated charge or an invoice or other

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

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

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

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

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

16 (r) "Tobacco" means cigarettes, cigars, chewing or pipe  
17 tobacco, or any other item that contains tobacco.

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