

SUBSTITUTE FOR
HOUSE BILL NO. 5945

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 3a (MCL 205.93a), as amended by 1993 PA 326.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3a. The use or consumption of the following services
2 is taxed under this act in the same manner as tangible personal
3 property is taxed under this act:

4 (a) Intrastate telephone, telegraph, leased wire, and other
5 similar communications, including local telephone exchange and
6 long distance telephone service that both originates and termi-
7 nates in Michigan, and telegraph, private line, and teletype-
8 writer service between places in Michigan, but excluding tele-
9 phone service by coin-operated installations, switchboards,
10 concentrator-identifiers, interoffice circuitry and their

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1 accessories for telephone answering service, and directory

2 advertising proceeds.

3 (b) Rooms or lodging furnished by hotelkeepers, motel opera-
4 tors, and other persons furnishing accommodations that are avail-
5 able to the public on the basis of a commercial and business
6 enterprise, irrespective of whether or not membership is required
7 for use of the accommodations, except rooms and lodging rented
8 for a continuous period of more than 1 month OR THE RENTAL OF
9 RESIDENCES IN THE FORM OF SINGLE-FAMILY HOUSES OR SINGLE-FAMILY
10 CONDOMINIUM UNITS THAT ARE PRIVATELY OWNED BY NOT MORE THAN 2
11 INDIVIDUALS. As used in this act, "hotel" or "motel" means a
12 building or group of buildings in which the public may obtain
13 accommodations for a consideration, including, without limita-
14 tion, such establishments as inns, motels, tourist homes, tourist
15 houses or courts, lodging houses, rooming houses, nudist camps,
16 apartment hotels, resort lodges and cabins, camps operated by
17 other than nonprofit organizations but not including those
18 licensed under ~~Act No. 116 of the Public Acts of 1973, being~~
19 ~~sections 722.111 to 722.128 of the Michigan Compiled Laws 1973~~
20 PA 116, MCL 722.111 TO 722.128, and any other building or group
21 of buildings in which accommodations are available to the public,
22 except accommodations rented for a continuous period of more than
23 1 month and accommodations furnished by hospitals or nursing
24 homes.

25 (c) Interstate telephone communications that either origi-
26 nate or terminate in this state and for which the charge for the
27 service is billed to a Michigan service address or phone number

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1 by the provider either within or outside this state including
2 calls between this state and any place within or without the
3 United States of America outside of this state. However, if the
4 tax under this act is levied at a rate of 6%, this subdivision
5 does not apply to a wide area telecommunication service or a sim-
6 ilar type service, an 800 prefix service or similar type service,
7 an interstate private network and related usage charges, or an
8 international call either inbound or outbound.