

HOUSE BILL No. 5945

June 16, 1998, Introduced by Reps. Lowe, Scranton, Dobb, Nye, Cropsey, Bodem, McNutt, Goschka, Jellema, Green, Horton, Sikkema, Byl, McBryde, Richner, London, Kaza, Voorhees and Perricone and referred to the Committee on Tax Policy.

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

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 RESIDENCES IN THE
9 FORM OF SINGLE-FAMILY HOUSES AND SINGLE-FAMILY CONDOMINIUM UNITS
10 THAT ARE PRIVATELY OWNED BY NOT MORE THAN 2 INDIVIDUALS, IF THE
11 ACCOMMODATIONS ARE PROVIDED TO THE PUBLIC FOR NOT MORE THAN 8
12 WEEKS IN THE CALENDAR YEAR AND IF THE OWNER DOES NOT CLAIM A
13 DEDUCTION FOR BUSINESS EXPENSES RELATED TO THE RENTAL OF THE
14 HOUSE OR CONDOMINIUM UNIT UNDER THE INTERNAL REVENUE CODE. As
15 used in this act, "hotel" or "motel" means a building or group of
16 buildings in which the public may obtain accommodations for a
17 consideration, including, without limitation, such establishments
18 as inns, motels, tourist homes, tourist houses or courts, lodging
19 houses, rooming houses, nudist camps, apartment hotels, resort
20 lodges and cabins, camps operated by other than nonprofit organi-
21 zations but not including those licensed under ~~Act No. 116 of~~
22 ~~the Public Acts of 1973, being sections 722.111 to 722.128 of the~~
23 ~~Michigan Compiled Laws~~ 1973 PA 116, MCL 722.111 TO 722.128, and
24 any other building or group of buildings in which accommodations
25 are available to the public, except accommodations rented for a
26 continuous period of more than 1 month and accommodations
27 furnished by hospitals or nursing homes.

1 (c) Interstate telephone communications that either
2 originate or terminate in this state and for which the charge for
3 the service is billed to a Michigan service address or phone
4 number by the provider either within or outside this state
5 including calls between this state and any place within or with-
6 out the United States of America outside of this state. However,
7 if the tax under this act is levied at a rate of 6%, this subdi-
8 vision does not apply to a wide area telecommunication service or
9 a similar type service, an 800 prefix service or similar type
10 service, an interstate private network and related usage charges,
11 or an international call either inbound or outbound.