

**SUBSTITUTE FOR
SENATE BILL NO. 437**

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4x (MCL 205.54x), as added by 2000 PA 204.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4x. (1) A person subject to tax under this act may
2 exclude from the gross proceeds used for the computation of this
3 tax sales to a domestic air carrier OR, BEGINNING JANUARY 1,
4 1996, TO A PERSON FOR LEASE TO A DOMESTIC AIR CARRIER OPERATING
5 UNDER A CERTIFICATE FOR ON DEMAND CHARTER ISSUED BY THE FEDERAL
6 AVIATION ADMINISTRATION UNDER 14 C.F.R. 135 of 1 or more of the
7 following:
8 (a) An aircraft that has a maximum certificated takeoff
9 weight of at least 6,000 pounds for use solely in the transport
10 of air cargo, passengers, or a combination of air cargo and
11 passengers.

SB 437, As Passed Senate, June 7, 2001

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1 (b) Parts and materials, excluding shop equipment or fuel,
2 affixed or to be affixed to an aircraft that has a maximum cer-
3 tificated takeoff weight of at least 6,000 pounds for use solely
4 in the transport of air cargo, passengers, or a combination of
5 air cargo and passengers.

6 (2) As used in this section, "domestic air carrier" is
7 limited to entities engaged primarily in the commercial transport
8 for hire of air cargo, passengers, or a combination of air cargo
9 and passengers as a business activity.

10 (3) THE STATE TREASURER SHALL DETERMINE NOT LATER THAN
11 JANUARY 1 EACH YEAR THE AMOUNT OF REVENUE LOST FROM THE STATE
12 SCHOOL AID FUND IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR
13 BECAUSE OF THE EXEMPTION IN THIS SECTION AND SHALL IMMEDIATELY
14 DEPOSIT THAT AMOUNT FROM THE STATE GENERAL FUND INTO THE STATE
15 SCHOOL AID FUND.