

Sales tax; exemptions; collection of sales tax on local government fund-raising activities; exempt.

SALES TAX: Exemptions; SALES TAX: Collections; LOCAL GOVERNMENT: Other

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 4o (MCL 205.54o), as added by 1994 PA 156.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4o. (1) A person subject to tax under this act with
2 aggregate sales at retail in the calendar year of less than
3 \$5,000.00 and not operating for profit who is a school, church,
4 hospital, LOCAL GOVERNMENTAL UNIT, parent cooperative preschool,
5 or nonprofit organization with a tax exempt status under section
6 ~~4n(1)(a)~~ 4Q(1)(A) or (b) may exclude from the proceeds used for
7 the computation of the tax the sales of tangible personal prop-
8 erty for fund-raising purposes.

9 (2) A club, association, auxiliary, or other organization
10 affiliated with a school, church, hospital, LOCAL GOVERNMENTAL
11 UNIT, parent cooperative preschool, or nonprofit organization

1 with a tax exempt status under section ~~4n(1)(a)~~ 4Q(1)(A) or (b)
2 is not considered a separate person for purposes of this
3 exemption. As used in this section, "school" means each elemen-
4 tary, middle, junior, or high school site within a local school
5 district that represents a district attendance area as estab-
6 lished by the board of the local school district.