

HOUSE BILL No. 4906

June 9, 2005, Introduced by Rep. Condino and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4k (MCL 205.94k), as amended by 2002 PA 669.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4k. (1) The tax levied under this act does not apply to
2 parts and materials, excluding shop equipment or fuel, affixed to
3 or to be affixed to an aircraft owned or used by a domestic air
4 carrier that is any of the following:

5 (a) An aircraft for use solely in the transport of air cargo
6 or a combination of air cargo and passengers that has a maximum
7 certificated takeoff weight of at least 12,500 pounds for taxes
8 levied before January 1, 1997 and at least 6,000 pounds for taxes
9 levied after December 31, 1996.

1 (b) An aircraft that is used solely in the regularly scheduled
2 transport of passengers.

3 (c) An aircraft other than an aircraft described in
4 subdivision (b), that has a maximum certificated takeoff weight of
5 at least 12,500 pounds for taxes levied before January 1, 1997 and
6 at least 6,000 pounds for taxes levied after December 31, 1996, and
7 that is designed to have a maximum passenger seating configuration
8 of more than 30 seats and is used solely in the transport of
9 passengers.

10 (2) For taxes levied after December 31, 1992 **AND BEFORE**
11 **OCTOBER 1, 2005**, the tax levied under this act does not apply to
12 the storage, use, or consumption of rolling stock used in
13 interstate commerce and purchased, rented, or leased by an
14 interstate fleet motor carrier. A refund for taxes paid before
15 January 1, 1997 shall not be paid under this subsection if the
16 refund claim is made after June 30, 1997.

17 (3) For taxes levied after December 31, 1996 and before May 1,
18 1999, the tax levied under this act does not apply to the product
19 of the out-of-state usage percentage and the price otherwise
20 taxable under this act of a qualified truck or a trailer designed
21 to be drawn behind a qualified truck, purchased, rented, or leased
22 in this state by an interstate fleet motor carrier and used in
23 interstate commerce.

24 (4) As used in this section:

25 (a) "Domestic air carrier" means a person engaged primarily in
26 the commercial transport for hire of air cargo, passengers, or a
27 combination of air cargo and passengers as a business activity.

1 (b) "Interstate fleet motor carrier" means a person engaged in
2 the business of carrying persons or property, other than
3 themselves, their employees, or their own property, for hire across
4 state lines, whose fleet mileage was driven at least 10% outside of
5 this state in the immediately preceding tax year.

6 (c) "Out-of-state usage percentage" is a fraction, the
7 numerator of which is the number of miles driven outside of this
8 state in the immediately preceding tax year by qualified trucks
9 used by the taxpayer and the denominator of which is the total
10 miles driven in the immediately preceding tax year by qualified
11 trucks used by the taxpayer. Miles driven by qualified trucks used
12 solely in intrastate commerce shall not be included in calculating
13 the out-of-state usage percentage.

14 (d) "Qualified truck" means a commercial motor vehicle power
15 unit that has 2 axles and a gross vehicle weight rating in excess
16 of 10,000 pounds or a commercial motor vehicle power unit that has
17 3 or more axles.

18 (e) "Rolling stock" means a qualified truck, a trailer
19 designed to be drawn behind a qualified truck, and parts affixed to
20 either a qualified truck or a trailer designed to be drawn behind a
21 qualified truck.