

HOUSE BILL No. 4913

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

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 4d (MCL 205.94d), as amended by 2004 PA 172.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4d. (1) The following are exempt from the tax under this
2 act:

3 (a) Sales of drugs for human use that can only be legally
4 dispensed by prescription or food or food ingredients, except
5 prepared food intended for immediate human consumption **AND, AFTER**
6 **SEPTEMBER 30, 2005, FOOD AND FOOD INGREDIENTS SOLD FROM A VENDING**
7 **MACHINE.**

8 (b) The deposit on a returnable container for a beverage or

1 the deposit on a carton or case that is used for returnable
2 containers.

3 (c) Food or tangible personal property purchased under the
4 federal food stamp program or meals eligible to be purchased under
5 the federal food stamp program.

6 (d) Fruit or vegetable seeds and fruit or vegetable plants if
7 purchased at a place of business authorized to accept food stamps
8 by the food and nutrition service of the United States department
9 of agriculture or a place of business that has made a complete and
10 proper application for authorization to accept food stamps but has
11 been denied authorization and provides proof of denial to the
12 department of treasury.

13 (e) Live animals purchased with the intent to be slaughtered
14 for human consumption.

15 (2) ~~Food~~ **BEFORE OCTOBER 1, 2005, FOOD** or drink heated or
16 cooled mechanically, electrically, or by other artificial means to
17 an average temperature above 75 degrees Fahrenheit or below 65
18 degrees Fahrenheit before sale and sold from a vending machine,
19 except milk, nonalcoholic beverages in a sealed container, and
20 fresh fruit, is subject to the tax under this act. The tax due
21 under this act on the sale of food or drink from a vending machine
22 selling both taxable items and items exempt under this subsection
23 shall be calculated under this act after December 31, 1994 based on
24 1 of the following as determined by the taxpayer:

25 (a) Actual gross proceeds from sales at retail.

26 (b) Forty-five percent of proceeds from the sale of items
27 subject to tax under this act or exempt from the tax levied under

1 this act, other than from the sale of carbonated beverages.

2 (3) "Food and food ingredients" means substances, whether in
3 liquid, concentrated, solid, frozen, dried, or dehydrated form,
4 that are sold for ingestion or chewing by humans and are consumed
5 for their taste or nutritional value. Food and food ingredients do
6 not include alcoholic beverages and tobacco.

7 (4) "Prepared food" means the following:

8 (a) Food sold in a heated state or that is heated by the
9 seller.

10 (b) Two or more food ingredients mixed or combined by the
11 seller for sale as a single item.

12 (c) Food sold with eating utensils provided by the seller,
13 including knives, forks, spoons, glasses, cups, napkins, straws, or
14 plates, but not including a container or packaging used to
15 transport the food.

16 (5) Prepared food does not include the following:

17 (a) Food that is only cut, repackaged, or pasteurized by the
18 seller.

19 (b) Raw eggs, fish, meat, poultry, and foods containing those
20 raw items requiring cooking by the consumer in recommendations
21 contained in section 3-401.11 of part 3-4 of chapter 3 of the 2001
22 food code published by the food and drug administration of the
23 public health service of the department of health and human
24 services, to prevent foodborne illness.

25 (c) Food sold in an unheated state by weight or volume as a
26 single item, without eating utensils.

27 (d) Bakery items, including bread, rolls, buns, biscuits,

1 bagels, croissants, pastries, doughnuts, danish, cakes, tortes,
2 pies, tarts, muffins, bars, cookies, and tortillas, sold without
3 eating utensils.

4 (6) "Prepared food intended for immediate **HUMAN** consumption"
5 means prepared food **AND, AFTER SEPTEMBER 30, 2005, FOOD AND FOOD**
6 **INGREDIENTS SOLD FROM A VENDING MACHINE.**