

# HOUSE BILL No. 5205

September 21, 2005, Introduced by Reps. Kahn, Huizenga, Virgil Smith, Stahl, Sheen, Ball, Bieda, Miller, Zelenko, Meisner, Gleason, Stewart, Stakoe, Schuitmaker, Gosselin, Amos, Vander Veen, Taub, Brandenburg, Rocca, Tobocman, Condino, Marleau and Kolb and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
(MCL 205.91 to 205.111) by adding section 4z.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **SEC. 4Z. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2), A**  
2           **PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY MAY CLAIM A**  
3           **CREDIT AGAINST THE TAX PAID UNDER THIS ACT ON THE PRIVILEGE OF**  
4           **USING, STORING, OR CONSUMING TANGIBLE PERSONAL PROPERTY IF ALL OF**  
5           **THE FOLLOWING APPLY:**

6           **(A) THE MOTION PICTURE PRODUCTION COMPANY HAS SPENT**  
7           **\$250,000.00 OR MORE IN THIS STATE FOR PURPOSES RELATED TO THE**  
8           **FILMING OR PRODUCTION OF A SINGLE MOTION PICTURE.**

9           **(B) THE TANGIBLE PERSONAL PROPERTY PURCHASED BY THE MOTION**

1 PICTURE PRODUCTION COMPANY IS USED, STORED, OR CONSUMED EXCLUSIVELY  
2 AS AN INTEGRAL PART OF THE PRODUCTION ACTIVITIES IN THIS STATE.

3 (2) A PERSON WHO IS A MOTION PICTURE PRODUCTION COMPANY IS NOT  
4 ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (1) IF THE MOTION PICTURE  
5 OR PRODUCTION ACTIVITIES ON WHICH THE CREDIT IS BASED DEPICTS  
6 OBSCENE MATTER OR AN OBSCENE PERFORMANCE.

7 (3) AS USED IN THIS SECTION:

8 (A) "MOTION PICTURE" MEANS A FEATURE-LENGTH FILM DISTRIBUTED  
9 IN 2 OR MORE STATES THAT IS A PRODUCTION FOR WHICH RECORDS ARE NOT  
10 REQUIRED TO BE MAINTAINED WITH RESPECT TO ANY PERFORMER IN THE  
11 PRODUCTION UNDER 18 USC 2257, OR TELEVISION SERIES MADE IN THIS  
12 STATE, IN WHOLE OR IN PART, FOR THEATRICAL OR TELEVISION VIEWING OR  
13 AS A TELEVISION PILOT. MOTION PICTURE DOES NOT INCLUDE THE  
14 PRODUCTION OF TELEVISION COVERAGE OF NEWS OR SPORTING EVENTS.

15 (B) "MOTION PICTURE PRODUCTION COMPANY" MEANS A COMPANY IN THE  
16 BUSINESS OF PRODUCING MOTION PICTURES. HOWEVER, MOTION PICTURE  
17 PRODUCTION COMPANY DOES NOT INCLUDE A COMPANY OWNED, AFFILIATED, OR  
18 CONTROLLED, IN WHOLE OR IN PART, BY A COMPANY OR INDIVIDUAL THAT IS  
19 IN DEFAULT ON A LOAN MADE BY THE STATE OR A LOAN GUARANTEED BY THE  
20 STATE.

21 (C) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER OR  
22 A PERFORMANCE THAT MEETS ALL OF THE FOLLOWING CONDITIONS:

23 (i) THE AVERAGE PERSON, APPLYING CONTEMPORARY COMMUNITY  
24 STANDARDS FINDS THAT THE DOMINANT THEME OF THE MATTER OR  
25 PERFORMANCE, TAKEN AS A WHOLE, APPEALS TO THE PRURIENT INTEREST IN  
26 SEX.

27 (ii) THE MATTER OR PERFORMANCE DEPICTS OR DESCRIBES, IN A

1 PATENTLY OFFENSIVE WAY, SEXUAL CONDUCT.

2 (iii) THE MATTER OR PERFORMANCE, TAKEN AS A WHOLE, LACKS SERIOUS  
3 LITERARY, ARTISTIC, POLITICAL, OR SCIENTIFIC VALUE.

4 (4) THIS SECTION APPLIES ONLY TO A MOTION PICTURE PRODUCTION  
5 COMPANY THAT BEGINS PRODUCTION OF A MOTION PICTURE AFTER THE  
6 EFFECTIVE DATE OF THIS SECTION. THIS SECTION DOES NOT APPLY TO THE  
7 STORAGE, USE, OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY AFTER  
8 DECEMBER 31, 2006.

9 Enacting section 1. This amendatory act does not take effect  
10 unless all of the following bills of the 93rd Legislature are  
11 enacted into law:

12 (a) Senate Bill No.\_\_\_\_ or House Bill No. 5206(request no.  
13 00228'05 \*).

14 (b) Senate Bill No.\_\_\_\_ or House Bill No. 5204(request no.  
15 00229'05 \*).

16 (c) Senate Bill No.\_\_\_\_ or House Bill No. 5207(request no.  
17 00231'05 \*).