

# HOUSE BILL No. 5599

January 24, 2006, Introduced by Reps. Marleau, Stakoe, LaJoy, Hoogendyk, Shaffer, Gosselin, Mortimer, Palmer, Casperson, Ward, Acciavatti, David Law, Moore, Meyer, Stahl, Stewart, Brandenburg, Drolet, Robertson, Garfield, Kahn, Rocca, Moolenaar, Pavlov, Kooiman, Green, Baxter, Nitz, Proos, Vander Veen, Huizenga, Ball, Taub, Gaffney, Walker and Elsenheimer and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled  
 "General sales tax act,"  
 by amending section 4n (MCL 205.54n), as added by 1994 PA 111.

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

1           Sec. 4n. (1) ~~The~~ **BEFORE JANUARY 1, 2006, THE** sale for  
 2 residential use of electricity, natural or artificial gas, or home  
 3 heating fuels is exempt from the sales tax at the additional rate  
 4 of 2% approved by the electors on March 15, 1994. For purposes of  
 5 applying the sales tax at the additional rate of 2% to the sale of  
 6 electricity, natural or artificial gas, or steam, the taxpayer,  
 7 with respect to all its customers to which the additional rate of  
 8 2% applies, shall prorate usage for a period that includes May 1,  
 9 1994 based on the number of days occurring after April 30, 1994 if  
 10 the taxpayer has 100,000 or more customers in this state. If the

1 taxpayer has less than 100,000 customers in this state, the  
2 taxpayer shall either prorate usage for a period that includes May  
3 1, 1994 based on the number of days occurring after April 30, 1994,  
4 or shall apply the additional rate of 2% beginning with the first  
5 bill that covers a usage period that begins after April 30, 1994.

6 (2) AFTER DECEMBER 31, 2005, THE SALE FOR RESIDENTIAL USE OF  
7 ELECTRICITY, NATURAL OR ARTIFICIAL GAS, OR HOME HEATING FUELS IS  
8 EXEMPT FROM THE TAX LEVIED UNDER THIS ACT.

9 (3) THE STATE TREASURER SHALL ANNUALLY DETERMINE THE REVENUE  
10 LOST TO THE SCHOOL AID FUND AS A RESULT OF THE EXEMPTION UNDER  
11 SUBSECTION (2) AND SHALL DEPOSIT THAT AMOUNT FROM THE GENERAL FUND  
12 INTO THE SCHOOL AID FUND. AS USED IN THIS SUBSECTION, "SCHOOL AID  
13 FUND" MEANS THE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF  
14 ARTICLE IX OF THE STATE CONSTITUTION OF 1963.