

SENATE BILL NO. 947

June 02, 2020, Introduced by Senator MACGREGOR and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 9p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9p. (1) Beginning December 31, 2020 and each year
2 thereafter, qualified heavy equipment rental personal property for
3 which an exemption has been properly claimed under section 4 of the
4 qualified heavy equipment rental personal property specific tax act
5 is exempt from the collection of taxes under this act.

6 (2) As used in this section:

1 (a) "Affiliate" means a person that directly or indirectly
2 owns or controls, is owned or controlled by, or is under common
3 ownership or control with, another person.

4 (b) "Control" means direct or indirect possession of the power
5 to direct or cause the direction of the management and policies of
6 a person, whether through the ownership of voting securities, by
7 contract, or otherwise.

8 (c) "Own" or "ownership" means to have ownership of an equity
9 interest, or the equivalent, of 10% or more in a person.

10 (d) "Person" means an individual, corporation, limited
11 liability company, partnership, association, or any other legal
12 entity.

13 (e) "Qualified heavy equipment rental personal property" means
14 any construction, earthmoving, or industrial equipment that is
15 mobile and rented to customers by a qualified renter, including
16 attachments for that equipment or other ancillary equipment or
17 tools designed and used primarily for construction or industrial
18 purposes. Qualified heavy equipment rental personal property does
19 not include handheld tools or equipment solely designed for
20 industry-specific uses in oil and gas exploration, mining, or
21 forestry. For purposes of this subdivision, equipment is mobile if
22 it is not intended to be permanently affixed to real property for
23 its intended use and can be moved among worksites. Qualified heavy
24 equipment rental personal property includes, but is not limited to,
25 any of the following:

26 (i) A self-propelled vehicle that is not designed to be driven
27 on the highway.

28 (ii) Industrial electrical generation equipment.

29 (iii) Industrial lift equipment.

1 (iv) Industrial material handling equipment.

2 (v) Industrial portable heating, ventilation, and air
3 conditioning equipment.

4 (vi) Industrial compressors, generators, or pumps.

5 (vii) Equipment used in shoring, shielding, and ground
6 trenching.

7 (viii) Equipment or vehicles not subject to titling under the
8 Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

9 (f) "Qualified renter" means a person that meets both of the
10 following:

11 (i) Is engaged in a line of business described in Code 532412
12 or 532310 of the North American Industry Classification System
13 published by the United States Census Bureau, 2017 edition.

14 (ii) Primarily rents qualified heavy equipment rental personal
15 property to the public and not primarily to an affiliate for use
16 directly by that affiliate. For purposes of this subparagraph, an
17 affiliate is not considered directly to use qualified heavy
18 equipment rental personal property if it in turn rents the property
19 to the public.

20 (g) "Rent" or "rental" means entering into an agreement for
21 the use of property in exchange for consideration for a term of
22 less than 365 consecutive days, or under an open-ended contract.

23 Enacting section 1. This amendatory act does not take effect
24 unless Senate Bill No. 946 of the 100th Legislature is enacted into
25 law.