

# HOUSE BILL NO. 5481

February 22, 2024, Introduced by Rep. Schriver and referred to the Committee on Government Operations.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 4w (MCL 205.54w), as amended by 2016 PA 372.

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

1           Sec. 4w. (1) For taxes levied after June 30, 1999, a sale of  
2     tangible personal property to a person directly engaged in the  
3     business of constructing, altering, repairing, or improving real  
4     estate for others to the extent that the property is affixed to and  
5     made a structural part of a nonprofit hospital or a nonprofit  
6     housing entity qualified as exempt under section 15a of the state

1 housing development authority act of 1966, 1966 PA 346, MCL  
2 125.1415a, is exempt from the tax under this act. For purposes of a  
3 county long-term medical care facility, "affixed to and made a  
4 structural part of" means any physical connection to an existing  
5 county long-term medical care facility.

6 (2) An exemption ~~shall~~**must** not be granted under this section  
7 for any portion of property otherwise qualifying for exemption  
8 under this section if income or a benefit inures directly or  
9 indirectly to an individual, private stockholder, or other private  
10 person from the independent or nonessential operation of that  
11 portion of property.

12 (3) As used in this section:

13 (a) "Nonprofit hospital" means 1 of the following:

14 (i) That portion of a building to which 1 of the following  
15 applies:

16 (A) Is owned or operated by an entity exempt under section  
17 501(c) (3) of the internal revenue code **of 1986**, 26 USC 501, that is  
18 licensed as a hospital under part 215 of the public health code,  
19 1978 PA 368, MCL 333.21501 to 333.21571.

20 (B) Is owned or operated by a governmental unit in which  
21 medical attention is provided.

22 (C) Is owned or operated by an entity or entities exempt under  
23 section 501(c) (2) or (3) of the internal revenue code **of 1986**, 26  
24 USC 501, in which medical attention is provided.

25 (ii) That portion of real property necessary and related to a  
26 building described in subparagraph (i) in which medical attention is  
27 provided.

28 (iii) A county long-term medical care facility, including any  
29 addition to an existing county long-term medical care facility, if

1 the addition is owned and operated by the county long-term medical  
 2 care facility and offers health services provided by the county  
 3 long-term medical care facility. For purposes of this subparagraph,  
 4 "addition" includes a freestanding building as long as that  
 5 freestanding building is operated under the same license held by  
 6 the county long-term medical care facility and continues to offer  
 7 the same health services as the county long-term medical care  
 8 facility in that freestanding building. An exemption under this  
 9 section ~~shall~~**must** be granted until January 1, 2008, regardless of  
 10 whether the addition is licensed as a nursing home or skilled  
 11 nursing facility under part 217 of the public health code, 1978 PA  
 12 368, MCL 333.21701 to 333.21799e, or whether the addition meets the  
 13 requirements set forth in subsection (1).

14 (b) "Nonprofit hospital" does not include the following:

15 (i) Except as otherwise provided under subsection (3) (a) (iii), a  
 16 freestanding building or other real property of a nursing home or  
 17 skilled nursing facility licensed under part 217 of the public  
 18 health code, 1978 PA 368, MCL 333.21701 to 333.21799e.

19 (ii) A hospice licensed under part 214 of the public health  
 20 code, 1978 PA 368, MCL 333.21401 to ~~333.21420~~**333.21419**.

21 (iii) A home for the aged licensed under part 213 of the public  
 22 health code, 1978 PA 368, MCL 333.21301 to 333.21335.

23 (c) "Medical attention" means that level of medical care in  
 24 which a physician provides acute care or active treatment of  
 25 medical, surgical, obstetrical, psychiatric, chronic, or  
 26 rehabilitative conditions, that require the observation, diagnosis,  
 27 and daily treatment by a physician.

28 Enacting section 1. This amendatory act does not take effect  
 29 unless Senate Bill No. \_\_\_\_ or House Bill No. 5477 (request no.

**1** 01038'23) of the 102nd Legislature is enacted into law.