

GENERAL SALES TAX ACT (EXCERPT)
Act 167 of 1933

205.54o School, church, hospital, parent cooperative preschool, or nonprofit organization; sale of tangible personal property for fund-raising purposes; exemption; "school" defined; veterans' organization; sale of tangible personal property for raising funds for benefit of active duty service member or veteran; exemption; definitions.

Sec. 4o.

(1) The sale of the first \$10,000.00 of tangible personal property in a calendar year for fund-raising purposes by a school, church, hospital, parent cooperative preschool, or nonprofit organization that has a tax-exempt status under section 4q(1)(a) or (b) and that has aggregate sales at retail in the calendar year of less than \$25,000.00 are exempt from the tax under this act.

(2) A club, association, auxiliary, or other organization affiliated with a school, church, hospital, parent cooperative preschool, or nonprofit organization with a tax-exempt status under section 4q(1)(a) or (b) is not considered a separate person for purposes of this exemption. As used in this section, "school" means each elementary, middle, junior, or high school site within a local school district that represents a district attendance area as established by the board of the local school district.

(3) Except as otherwise limited under this subsection, the sale of tangible personal property by a veterans' organization that is exempt from federal income tax under section 501(c)(19) of the internal revenue code, 26 USC 501, for the purpose of raising funds for the benefit of an active duty service member or a veteran is exempt from the tax under this act. The exemption under this subsection is limited to \$25,000.00 in aggregate sales of tangible personal property for each individual fund-raising event. A club, association, auxiliary, or other organization affiliated with a veterans' organization that is exempt from federal income tax under section 501(c)(19) of the internal revenue code, 26 USC 501, is not considered a separate person for purposes of this exemption. As used in this subsection:

(a) "Active duty" means active duty pursuant to an executive order of the President of the United States, an act of Congress, or an order of the governor.

(b) "Armed Forces of the United States" means the Army, Air Force, Navy, Marine Corps, Coast Guard, or other military force designated by Congress as a part of the Armed Forces of the United States.

(c) "Service member" means a member of the Armed Forces of the United States, a reserve branch of the Armed Forces of the United States, or the National Guard.

(d) "Veteran" means any of the following:

(i) A person who served on active duty in the Armed Forces of the United States for a period of more than 180 days and separated from the Armed Forces of the United States in a manner other than a dishonorable discharge.

(ii) A person discharged or released from active duty because of a service-related disability.

(iii) A member of a reserve branch of the Armed Forces of the United States at the time he or she was ordered to active duty pursuant to subtitle E of title 10 of the United States Code, 10 USC 10001 to 18506, who served on active duty during a period of war, or in a campaign or expedition for which a campaign badge is authorized, and was released from active duty in a manner other than a dishonorable discharge.

History: Add. 1994, Act 156, Imd. Eff. June 13, 1994 ;-- Am. 2004, Act 173, Eff. Sept. 1, 2004 ;-- Am. 2016, Act 503, Eff. Apr. 9, 2017 ;-- Am. 2018, Act 249, Eff. Sept. 26, 2018

Compiler's Notes: The cite to section 4(n)(1)(a) or (b) in subsections (1) and (2) was originally compiled as MCL 205.54n[1], was repealed by Act 258 of 1988, Imd. Eff. July 17, 1998, and pertained to sales of tangible personal property. See now MCL 205.54q.