

**[No. 328]**

**(SB 734)**

AN ACT to amend 1937 PA 94, entitled "An act to provide for the levy, assessment and collection of a specific excise tax on the storage, use or consumption in this state of tangible personal property and certain services; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act," by amending section 4d (MCL 205.94d), as amended by 1992 PA 267.

*The People of the State of Michigan enact:*

**205.94d Tax exemption for prescription drug for human use, food for human consumption, deposit on returnable container, deposit on carton or case used for returnable containers, beverages or food provided to food service employees, food or tangible personal property purchased with federal food stamps, or certain fruit or vegetable seeds and fruit or vegetable plants; definitions.**  
**[M.S.A. 7.555(4d)]**

Sec. 4d. (1) The tax levied under this act does not apply to a purchase of a prescription drug for human use or food for human consumption; to the deposit on a returnable container for a beverage or the deposit on a carton or case that is used for returnable containers; to nonalcoholic beverages and prepared food intended for immediate consumption provided during work hours for free or at a reduced rate to employees of food service establishments licensed by the Michigan department of agriculture; to food or tangible personal property purchased with federal food stamps; or to fruit or vegetable seeds and fruit or vegetable plants if purchased at a place of business authorized to accept food stamps by the food and nutrition service of the United States department of agriculture or a place of business that has made a complete and proper application for authorization to accept food stamps but has been denied authorization and provides proof of denial to the department of treasury.

(2) "Prescription drug for human use" means insulin or a drug dispensed by a licensed pharmacist pursuant to a written prescription prescribed by a licensed physician or other health professional as defined in section 21005 of the public health code, 1978 PA 368, MCL 333.21005, for the use of a designated person, or oxygen dispensed pursuant to a written prescription or order issued by a licensed physician or other health professional as defined in section 21005 of the public health code, 1978 PA 368, MCL 333.21005.

(3) "Food for human consumption" means all food or drink items, including bottled water, primarily intended for human consumption except a beverage with an alcoholic content of 1/2 of 1% or more by volume, tobacco, or tobacco products.

(4) "Food service establishment" means that term as defined in section 1107 of the food law of 2000, 2000 PA 92, MCL 289.1107.

**Effective date.**

Enacting section 1. This amendatory act takes effect October 1, 2001.

This act is ordered to take immediate effect.

Approved December 4, 2000.

Filed with Secretary of State December 4, 2000.

---