

Sales/Use/Indirect:

Michigan: New Law Expands Industrial Processing Exemption to Include Activities Performed on Some Aggregate

H.B. 4054; S.B. 97, signed by gov. 5/8/23. New law amends Michigan sales and use tax provisions (*i.e.*, Michigan's General Sales Tax Act and Use Tax Act) by expanding the scope and applicability of Michigan's industrial processing exemption to include certain industrial processing activities performed on some aggregate products or materials. Specifically, the legislation provides that property that performs an industrial processing activity on an aggregate product or material that will be used as an ingredient or component part for the construction, maintenance, repair, or reconstruction of real property in Michigan is eligible for Michigan's industrial processing exemption so long as that aggregate product or material is subject to Michigan use tax. The legislation defines "aggregate" as "common variety building materials like sand, gravel, crushed stone, slag, recycled concrete, recycled asphalt, and geosynthetic aggregates." Please contact us with any questions.

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