



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

USE TAX EXEMPTION: AFFIDAVIT

House Bill 4302

Sponsor: Rep. Gregory E. Pitoniak

Committee: Transportation

Complete to 8-26-91

A SUMMARY OF HOUSE BILL 4302 AS INTRODUCED 2-15-91

Sales of used vehicles and watercraft between individuals are subject to the use tax (levied in lieu of the sales tax on certain transactions and services). The tax must be paid to the secretary of state before the transfer of a vehicle, ORV, snowmobile, or watercraft registration. Such a transfer is exempt from the use tax, however, if the transferee or purchaser is the spouse, mother, father, brother, sister, or child of the transferor. The bill would require in the case of such exempt transfers that the secretary of state require an affidavit from the transferee on a form prescribed by the Department of Treasury describing the relationship between the transferor and transferee. The secretary of state would have to forward a copy of the affidavit to the treasury department.

MCL 205.93

House Bill 4302 (8-26-91)