

USE TAX: MUNICIPAL HOUSING

House Bill 4018

Sponsor: Rep. James McNutt

Committee: Tax Policy

Complete to 2-9-98

A SUMMARY OF HOUSE BILL 4018 AS INTRODUCED 1-8-97

The Use Tax Act exempts property purchased by a person engaged in the business of constructing, altering, repairing, or improving real estate for others to the extent the property is affixed to and made a structural part of the real estate of a nonprofit hospital or a nonprofit housing entity qualified as exempt under the State Housing Development Authority Act of 1966. The bill would specify that for tax years ending after December 31, 1990, nonprofit housing would include a multiple unit dwelling owned by a city, village, township, or county, the income or property of which does not directly or indirectly inure to the benefit of an individual, private stockholder, or other private person.

A city, village, township, or county that paid the use tax in tax years after December 31, 1990 on such property could file a claim for a refund with the Department of Treasury within 60 days of the effective date of the bill.

(The act currently says nonprofit housing includes "only the homes or dwelling places constructed by a nonprofit housing entity" and refers to a housing entity exempt pursuant to Section 15a of the State Housing Development Authority Act of 1966. That section refers to "a nonprofit housing corporation, consumer housing corporation, limited dividend housing corporation, mobile home park corporation, or mobile home park association" financed with a federally-aided mortgage or authority-aided mortgage or advance or grant from the authority.)

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