

**SALES TAX: MUNICIPAL HOUSING**

**House Bill 4019**

**Sponsor: Rep. James McNutt**

**Committee: Tax Policy**

**Complete to 2-9-98**

**A SUMMARY OF HOUSE BILL 4019 AS INTRODUCED 1-8-97**

The General Sales 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 nonprofit housing 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 sales 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 "the homes or dwelling places constructed by a nonprofit housing entity qualified as 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.)

MCL 205.51

Analyst: C. Couch

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.