

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4163 (Substitute H-1 as passed by the House)
House Bill 4743 (Substitute H-1 as passed by the House)
Sponsor: Representative Jessie Dalman (H.B. 4163)
Representative Kirk Profit (H.B. 4743)

House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 5-12-98

CONTENT

House Bill 4163 (H-1) would amend the General Sales Tax Act, and House Bill 4743 (H-1) would amend the Use Tax Act, to exempt from the sales tax and use tax the sale of materials used in the construction or repair of a church. The bills are tie-barred.

The bills would exempt sales of tangible personal property purchased by a person engaged in the business of constructing, altering, repairing, or improving real estate for others, if the property were to be affixed to or made a structural part of real estate owned or occupied by a regularly organized church or house of religious worship. At the time of the transfer of property for which an exemption was claimed, the transferee would have to sign an affidavit, in a form approved by the Department of Treasury, attesting to the fact that the property was to be affixed to or made a structural part of real estate owned or occupied by a church or house of religious worship.

Proposed MCL 205.54p (H.B. 4163)
Proposed MCL 205.94m (H.B. 4743)

Legislative Analyst: G. Towne

FISCAL IMPACT

Based on data from the U.S. Bureau of the Census, the estimated loss in sales and use tax collections would be on average \$9 million per year.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.