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PERSONAL PROPERTY TAX EXEMPTION

House Bill 5153
Sponsor: Rep. Nancy Cassis
Committee: Tax Policy

Complete to 12-7-99

A SUMMARY OF HOUSE BILL 5153 AS INTRODUCED 12-2-99

The bill would amend the General Property Tax Act to exempt certain personal property intended for resale but which may be leased or rented for up to two years before sale. This would only apply in cases in which the business claiming the exemption 1) derives 50 percent or more of its business income from the sale of personal property for which an exemption is claimed; and 2) grants a purchaser of the personal property a credit for all lease or rental payments made against the purchase price of the property.

Currently, the act exempts the inventory of businesses and defines “inventory” as 1) the stock of goods held for resale in the regular course of trade of a retail or wholesale business; 2) finished goods, goods in process, and raw materials of a manufacturing business; and c) materials and supplies, including repair parts and fuel.

Specifically, the bill would add to the definition of “inventory” new personal property delivered to a dealer by or on behalf of the manufacturer that is principally intended for resale, which may be leased or rented before sale for a period ending on December 31 in the year two years after the inception of the initial lease or rental agreement for the property.

MCL 211.9c

Analyst: C. Couch

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