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EXEMPT GIFT OF VEHICLE BY NONPROFIT FROM USE TAX

House Bill 4308

Sponsor: Rep. Patricia Birkholz

Committee: Tax Policy

Complete to 4-13-01

A SUMMARY OF HOUSE BILL 4308 AS INTRODUCED 2-20-01

The sale of vehicles between private parties (for example, the sale of a used car) is subject to the six percent use tax. There are exceptions, notably when close family members are involved. House Bill 4308 would amend the Use Tax Act to exempt from the tax the transfer of a motor vehicle without consideration from a tax-exempt organization to an individual if that individual met the organization's eligibility requirements. The bill would apply to transfers made by organizations exempt under Section 501(c)(3) of the federal Internal Revenue Code. The exemption would not apply to a transfer made to a for-profit entity.

MCL 205.94w

House Bill 4308 (4-13-01)

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.