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USE TAX: EXEMPT IN-LAW VEHICLE TRANSACTIONS

House Bill 4520
Sponsor: Rep. Doug Spade
Committee: Tax Policy

Complete to 8-29-01

A SUMMARY OF HOUSE BILL 4520 AS INTRODUCED 3-27-01

A person must pay the six percent use tax whenever he or she buys a used car. The tax is collected by the Department of State on behalf of the Department of Treasury when the title is transferred. There are exceptions to this requirement, however, when the transaction involves certain specified relatives. A transaction is exempt under the Use Tax Act if the transferee or purchaser is the spouse, mother, father, brother, sister, child, stepparent, stepchild, stepbrother, stepsister, grandparent, grandchild, legal ward, or legally appointed guardian of the transferor or seller. House Bill 4520 would add to this list, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, and son-in-law.

MCL 205.93

House Bill 4520 (8-29-01)

Analyst: C. Couch

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