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SALES TAX ON MOBILE HOMES: EARMARK A PORTION FOR STATE SCHOOL AID FUND

House Bill 4535

Sponsor: Rep. Charles LaSata

Committee: Land Use and Environment

Complete to 8-8-01

A SUMMARY OF HOUSE BILL 4535 AS INTRODUCED 3-27-01

The bill would amend the General Sales Tax Act to earmark 25 percent of the collections of the first 4 cents of the sales tax on sales of manufactured or mobile homes to the State School Aid Fund. (The total state sales tax is 6 cents; the second 2 cents is dedicated entirely to the State School Aid Fund.)

The term “manufactured or mobile home” would be defined in the bill to refer to a structure, transportable in one or more sections, built on a chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, including the plumbing, heating, air-conditioning, and electrical systems contained in the structure.

(Currently, the act requires that the first 4 cents of the sales tax be distributed as follows: 15 percent to revenue sharing for local governments; 60 percent to the State School Aid Fund; and the remaining 25 percent to the state general fund. However, from that remaining 25 percent, at least 27.9 percent of the tax collected from the sale of motor vehicles fuel, motor vehicles, and motor vehicle parts and accessories must be deposited in the Comprehensive Transportation Fund, and all of the collections from the sale of computer software must be deposited in the Michigan Health Initiative Fund. The actual distribution of revenues beyond these minimums is determined annually through the appropriations process. The remaining 2 cents of the 6 cents sales tax is dedicated entirely to the State School Aid Fund.)

MCL 205.75

Analyst: C. Couch

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