

EXEMPT GIFT OF VEHICLE BY NONPROFIT FROM USE TAX



Telephone: (517) 373-8080
Facsimile: (517) 373-5874
www.house.state.mi.us/hfa

FISCAL ANALYSIS

Mitchell Bean, Director
124 N. Capitol Avenue
4-N HOB Lansing, MI

HOUSE BILL 4308 AS INTRODUCED

Sponsor: Rep. Patricia Birkholz
House Committee: Tax Policy

FLOOR ANALYSIS - 2/25/02

Analyst(s): Jim Stansell

SUMMARY

House Bill 4308 would amend the Use Tax Act by exempting from the use tax the transfer of a motor vehicle from a non-profit organization (as classified by Section 501 c 3 of the IRS Code) to an individual that meets the eligibility requirements as determined by the non-profit.

Although the necessary data are incomplete, it can be estimated that the fiscal impact would be a loss of use tax revenue of \$1 million or less. Assuming the revenue loss was \$1 million, this would decrease GF/GP revenues by about \$0.67 million and the School Aid Fund by \$0.33 million.