

**EARMARK USE TAX ON VEHICLES**

**House Bill 4153**

**Sponsor: Rep. Jerry Kooiman**

**Committee: Transportation**

**Complete to 2-11-03**

**A SUMMARY OF HOUSE BILL 4153 AS INTRODUCED 2-5-03**

House Bill 4153 would amend the Use Tax Act to earmark use tax collections on the sale or lease of motor vehicles and vehicle-related items.

The bill specifies that in each fiscal year, of the total collections of the use tax imposed at a rate of four percent directly or indirectly on the sale of motor vehicles, on the lease of motor vehicles, and on the sale of the parts and accessories of motor vehicles by new and used car businesses, used car businesses, accessory dealer businesses, and gasoline station businesses (as classified by the Department of Treasury), the following amounts would be deposited in the following funds: a) not less than 27.9 percent of 25 percent of the total collections into the Comprehensive Transportation Fund, and b) the balance to the general fund.

Currently under the law, all money received and collected under the Use Tax Act is deposited by the Department of Treasury to the credit of the general fund, to be disbursed only through appropriations by the legislature. However, the collections from the use tax imposed at the additional rate of two percent approved by the electors March 15, 1994 are deposited in the state School Aid Fund.

MCL 205.111

House Bill 4153 (2-11-03)

Analyst: J. Hunault

■ 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.