

Legislative Analysis



STATE EDUCATION TAX: ALLOW LOCAL UNITS TO RETAIN \$2.50 PER PARCEL

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House Bill 5545

Sponsor: Rep. John Moolenaar

Committee: Local Government and Urban Policy

Complete to 3-8-04

A SUMMARY OF HOUSE BILL 5545 AS INTRODUCED 2-17-04

House Bill 5545 would amend the State Education Tax Act to allow a city or township that levies the SET, but which otherwise would not levy summer taxes, to retain \$2.50 for each parcel of property on which the tax is billed before transmitting the tax proceeds to the state treasurer. A county that collects the tax on behalf of such a city or township also could retain \$2.50 per parcel on which the tax is billed.

Currently, the act says the state is to transmit \$2.50 for each parcel of property on which the SET is collected to local units of government that otherwise would not levy summer taxes or to the county that collects the tax on behalf of such local governments.

MCL 211.905b

FISCAL IMPACT:

The bill would reduce the state portion of the SET revenue, all of which is earmarked to the School Aid Fund, by an estimated \$4.2 million.

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