

Legislative Analysis



VISUAL ARTS BUILDING TAX BENEFITS

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House Bill 5810

Sponsor: Rep. Jerry O. Kooiman

House Bill 5811

Sponsor: Rep. Bill Huizenga

House Bill 5812

Sponsor: Rep. Glenn Steil Jr.

Committee: Tax Policy

Complete to 6-29-04

A SUMMARY OF HOUSE BILLS 5810-5812 AS INTRODUCED 4-22-04

House Bill 5810 (Sales Tax)

The bill would amend the General Sales Tax Act (MCL 205.54bb) to exclude from taxation under the act, the sale of tangible personal property to a person engaged in the business of constructing real estate, if such property is for an arts building that is owned and operated by a tax-exempt organization.

[A similar exemption from sales and use taxes currently applies to persons engaged in construction projects for nonprofit hospitals, nonprofit housing, and worship-related portions of churches, synagogues, mosques, etc.]

House Bill 5811 (Income Tax) and House Bill 5812 (Single Business Tax)

The bills would amend the Income Tax Act (MCL 206.269) and Single Business Tax Act (MCL 208.39a), respectively, to provide taxpayers with a refundable credit equal to 25 percent of the amount the taxpayer donated to a non-profit, tax exempt organization for the construction of an arts building.

For all three bills, “arts building” would generally mean a building or structure that houses or displays visual arts.

FISCAL IMPACT:

The combined initial fiscal impact of the bills is expected to be less than \$5 million. (This is based on an anticipated \$75 million project in Grand Rapids, although the bill would apply statewide.)

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Fiscal Analyst: Jim Stansell

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