



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 184 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Valde Garcia
Committee: Finance

CONTENT

The bill would amend the Use Tax Act to provide that, beginning January 1, 2005, the use tax would not apply to the transfer of a motor vehicle to a "qualified recipient" from a "regularly organized church or house of religious worship" that received the vehicle as a donation. As defined in the bill, "regularly organized church or house of religious worship" would mean a religious organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

Under the bill, "qualified recipient" would mean a person who was certified by the regularly organized church or house of religious worship as meeting the following criteria: He or she was eligible for public assistance under the Social Welfare Act; possessed a valid Michigan operator's or chauffeur's license; was unable to use reasonably available public transportation to commute to his or her place of employment; needed a vehicle to commute to his or her employment; required an automobile to continue his or her employment or to accept a verified offer of employment in a position demonstrably superior to his or her current position, if the individual were working at least an average of 20 hours per week; and, needed the vehicle to accept a verified offer of employment of at least an average of 20 hours per week and could not begin employment in that position without an automobile, if the individual were not currently employed or were employed for less than an average of 20 hours per week.

Proposed MCL 205.94w

Legislative Analyst: J.P. Finet

FISCAL IMPACT

This bill would reduce use tax revenue an estimated \$0.1 million on a full-year basis. This loss in use tax revenue would reduce General Fund/General Purpose revenue by \$0.07 million and School Aid Fund revenue by \$0.03 million. This bill would not have any direct impact on local governments.

Date Completed: 6-29-04

Fiscal Analyst: Jay Wortley