



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 707 (as introduced 9-18-03)  
Sponsor: Senator Valde Garcia  
Committee: Finance

Date Completed: 6-1-04

### **CONTENT**

The bill would amend the General Sales Tax Act to provide that, beginning January 1, 2002, the tax would not apply to the sale of a mobile home.

Under the bill, "mobile home" would be defined as it is in the Mobile Home Commission Act, i.e., a structure, transportable in one or more sections, that is built on a chassis and designed to be used as a dwelling with or without permanent foundation, when connected to the required utilities, included the plumbing, heating, air-conditioning, and electrical systems contained in the structure.

Proposed MCL 205.54bb

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

This bill would reduce sales tax collections an estimated \$22.7 million in FY 2004-05 (assuming an effective date of October 1, 2004) and \$23.2 million in FY 2005-06. This loss in revenue would primarily affect the School Aid Fund and local revenue sharing. In FY 2004-05, School Aid Fund revenue would decline \$16.6 million and revenue sharing would decline \$5.5 million.

Fiscal Analyst: Jay Wortley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.