



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 1310 (as introduced 6-22-04)
Sponsor: Senator Valde Garcia
Committee: Finance

Date Completed: 6-23-04

CONTENT

The bill would amend the Use Tax Act to provide that the use tax would not apply to the storage, use, or consumption of a manufactured home, unless it were purchased at a retail sale outside of Michigan and brought into this State for its initial use. The Secretary of State would have to collect the tax at the time the home was brought into Michigan.

Currently, the storage, use, or consumption of manufactured housing is subject to the use tax, which must be collected by the Department of Labor and Economic Growth, Mobile Home Commission, or its agent before the transfer of the certificate of title.

MCL 205.93 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The preliminary estimate is that this bill would reduce use tax collections in the range of \$10 million to \$15 million on an annual basis. As more data become available, this estimate will be updated. The use tax is earmarked to the General Fund (67%) and the School Aid Fund (33%), so the loss in use tax revenue under the bill would affect these funds. The bill would have no direct impact on local governments.

Fiscal Analyst: Jay Wortley

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