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BILL ANALYSIS

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Senate Bill 1314 (as introduced 6-22-04)
Sponsor: Senator Valde Garcia
Committee: Finance

Date Completed: 6-23-04

CONTENT

The bill would amend the Income Tax Act to allow a taxpayer who owned a mobile home in a mobile home park to claim a credit against the income tax for the portion of the taxpayer's rent attributable to taxes levied on his or her lot for school operating purposes. The credit would be available for tax years beginning after December 31, 2004.

Specifically, the bill states that the credit would be equal to the portion of the rent paid for the taxpayer's lot equal to the property taxes levied on the lot under Section 1211 of the Revised School Code, paid by the mobile home park owner attributable to the lot on which the taxpayer's mobile home was situated. (Under Section 1211, the board of a school district may levy up to 18 mills for school operating purposes or the number of mills levied in 1993 for those purposes, whichever is less, subject to certain exceptions. A principal residence and qualified agricultural property are exempt from the millage, except for the number of mills by which the exemption may be reduced under this section.)

If the amount of the proposed credit exceeded the mobile home owner's tax liability for the tax year, the excess portion of the credit could not be refunded.

Proposed MCL 206.272

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

This bill would reduce income tax revenue by an estimated \$5.2 million in FY 2003-04 and \$7.1 million in FY 2004-05. This loss in income tax revenue would primarily affect General Fund revenue. Local governments would not be directly affected by this bill.

Fiscal Analyst: Jay Wortley

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