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BILL ANALYSIS

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House Bill 5463 (Substitute S-1 as reported)
Sponsor: Representative David Robertson
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the Single Business Tax Act to allow a taxpayer to claim a credit against the single business tax for tax years beginning after December 31, 2004, and before January 1, 2010, subject to the applicable limitations provided in the bill, in an amount equal to 50% of the fair market value of an automobile donated by the taxpayer to a qualified organization that intended to provide the automobile to a "qualified recipient".

The amount allowable as a credit under the bill for a tax year could not exceed \$100. If the proposed credit exceeded the tax liability of the taxpayer for the tax year, the excess amount could not be refunded.

The value of a passenger vehicle would have to be determined by the qualified organization or by the value of the automobile in the appropriate guide published by the National Automobile Dealers Association, whichever was less.

As used in the bill, "qualified organization" and "qualified recipient" would mean those terms as defined by Section 4y of the Use Tax Act (proposed by Senate Bill 1001).

House Bill 5463 (S-1) is tie-barred to House Bill 5653.

Proposed MCL 208.37f

Legislative Analyst: J.P. Finet

FISCAL IMPACT

This bill would reduce single business tax revenue an estimated \$0.15 million in FY 2004-05 and \$0.2 million on a full-year basis beginning in FY 2005-06. This loss in revenue would affect the General Fund/General Purpose budget. This bill would not have any direct impact on local governments.

Date Completed: 5-24-04

Fiscal Analyst: Jay Wortley