Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4051 (as passed by the House)
Sponsor: Representative Jeff Farrington
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 3-6-15

CONTENT

The bill would amend the revenue Act to allow the State Treasurer to disclose certain information related to tax-exempt housing units.

The Act generally prohibits Department of Treasury officials from divulging facts or information obtained in connection with the administration of a tax. The bill would create an exemption to the prohibition for information related to certain housing projects.

The exemption would allow the State Treasurer, or a person designated by the State Treasurer, to disclose the address and millage rate of each housing unit that is part of a tax-exempt housing project, and whether the unit was subject to a service charge in lieu of property taxes.

The exemption would apply to those projects exempt from ad valorem taxes under Section 15a of the State Housing Development Authority Act or under Section 11a of Public Act 18 of 1933, which deals with municipal housing programs.

(Section 15a of the State Housing Development Authority Act exempts a housing project owned by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association financed through Federal aid or the Michigan State Housing Development Authority (MSHDA), from all ad valorem property taxes imposed by the State or by any political subdivision, public body, or taxing district in which the project is located.

Under Section 11a of Public Act 18 of 1933, the property of a qualified entity located in the incorporating unit of a municipal housing commission is exempt from all taxation by the State or any of its political subdivisions. A "qualified entity" is either a nonprofit corporation owned or controlled by the commission, or a for-profit corporation, partnership, or company formed or incorporated by the commission for the sole purpose of obtaining low-income housing tax credits in connection with the redevelopment of a housing project owned by the commission.)

MCL 205.28

Legislative Analyst: Ryan M. Bergan

FISCAL IMPACT

State: The bill would have a minimal or no fiscal impact on the Department of Treasury. Any costs that could come from implementing the bill would be minimal and require no additional funding. Savings could be seen if the additional information resulted in a reduction of errors in tax paperwork; however, these savings, if any, also would be minimal.

Local: The bill would have no impact on local units of government since it would not change how they collect property taxes and millages.

Fiscal Analyst: Cory Savino