
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4507 (Substitute S-4 as reported by the Committee of the Whole)
Sponsor: Representative Larry DeVuyst
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the Use Tax Act to provide that a lessor could elect to pay the use tax on receipts from the rental or lease of tangible personal property, instead of paying sales or use tax on the full cost of the property at the time it was acquired.

Further, for tax years beginning after December 31, 2001, to make a valid election, a lessor of aircraft would have to obtain a use tax registration by the date set for the first payment of use tax under the lease or rental agreement, or 90 days after the lessor first brought the aircraft into the State, whichever was first. (Under the Act, a person engaged in the business of selling tangible personal property for storage, use, or consumption must register with the Department of Treasury, unless the person has obtained a sales tax license.)

MCL 205.95

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-5-02

Fiscal Analyst: Jay Wortley