

Legislative Analysis



AMEND DEFINITON OF CONVERT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 326 (S-2) as passed by the Senate

Sponsor: Sen. Sam Singh

House Committee: Insurance and Financial Services

Senate Committee: Finance, Insurance, and Consumer Protection

Complete to 6-7-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 326 would amend the Use Tax Act to change when a vehicle purchased for resale is converted, or changed from a tax-exempt use to a non-exempt use.

Currently, a motor vehicle that is purchased for resale by a new vehicle dealer licensed under section 248(8)(a) of the Michigan Vehicle Code¹ is not considered to be converted if the vehicle is not *titled* in the name of the dealer before the sale or lease by the dealer. The bill would change this provision so a vehicle would not be considered converted if it is not *registered* in the name of the dealer before the sale or lease.

MCL 205.92

FISCAL IMPACT:

As written, the bill would exempt transfers of ownership traditionally untaxed by the secretary of state that might be subject to tax as a result of the implementation of a new filing system. By exempting these transfers, the bill would not change existing revenue forecasts.

Legislative Analyst: Alex Stegbauer
Fiscal Analyst: Jim Stansell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ <http://legislature.mi.gov/doc.aspx?mcl-257-248>