



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4137 (Substitute H-1 as passed by the House)
Sponsor: Representative Greg VanWoerkom
House Committee: Tax Policy
Senate Committee: Committee of the Whole

Date Completed: 4-13-23

CONTENT

The bill would amend Public Act 72 of 1979, which requires the Governor to report specified tax information with the annual budget message to the Legislature, to modify a Michigan Compiled Laws (MCL) reference that House Bill 4253 (H-1) would amend.

Specifically, Public Act 72 of 1979 requires the Governor to report an estimate of the amount of use tax forgone under Section 2(f) of the Use Tax Act from the imposition of the tax on the difference between the agreed-upon value of a motor vehicle, trailer coach, or titled watercraft used as part payment of the purchase price (i.e., a trade-in) and the full retail price of the vehicle, trailer coach, or watercraft being purchased rather than the full retail price of the vehicle, trailer coach, or titled watercraft. The bill would amend the MCL reference to Section 2(1)(f). In addition, it would replace, for the first two uses of the word in the provision above, "trailer coach" with "recreational vehicle".

The bill is tie-barred to Senate Bill 4253, which would amend the Use Tax Act to modify the definition of "purchase price" to exclude delivery or installation charges if the charges are separately stated on an invoice and the taxpayer maintains records showing those charges separated. Senate Bill 4253 passed the House and Senate and has been ordered enrolled.

MCL 21.276

PREVIOUS LEGISLATION

(Please note: The information in this summary provides a cursory overview of previous legislation and its progress. It does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

House Bill 4137 and Senate Bill 160 are companion bills in the current Legislative Session. Senate Bill 160 passed the Senate and has been referred to the House Committee on Judiciary.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

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

Fiscal Analyst: Joe Carrasco, Jr.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.