



Romney Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## SALES/USE TAX: PUBLIC HOUSING

**House Bill 4273 and 4274**

**Sponsor: Rep. Tony Stamas**

**Committee: Tax Policy**

**Complete to 4-28-99**

### **A SUMMARY OF HOUSE BILL 4273 AND 4274 AS INTRODUCED 2-16-99**

The bills would provide an exemption for the sale or use of tangible personal property by persons directly engaged in the business of constructing, altering, repairing, or improving real estate for others if the property was affixed to and made a structural part of "public nonprofit housing." The use tax exemption would apply after December 31, 1990; the sales tax exemption would apply after December 31, 1998. House Bill 4273 would amend the Use Tax Act (MCL 205.94 and 205.94o). House Bill 4274 would amend the General Sales Tax Act (MCL 205.54r). The two bills are tie-barred.

The term "public nonprofit housing" would refer to a multiple-unit dwelling owned by a city, village, township, or county, the income or property of which does not directly or indirectly inure to the benefit of an individual, private stockholder, or other private person. The sales tax bill uses the term "public nonprofit housing;" the use tax bill instead uses the full description that makes up the definition.

A person claiming the sales tax exemption (e.g., a contractor) would have to sign an affidavit in a form approved by the Department of Treasury attesting to the appropriate use of the property purchased.

A city, village, township, or county that had paid the use tax on such property after December 31, 1990, or the sales tax after December 31, 1998, could file a claim for a refund with the Department of Treasury within 60 days of the effective date of the bills.

(A similar exemption currently exists in statute for contractors working on nonprofit hospitals and certain nonprofit housing. The current housing exemption only applies to housing that meets criteria established in the State Housing Development Act of 1966; namely, "a nonprofit housing corporation, consumer housing corporation, limited dividend housing corporation, mobile home park corporation, or mobile home park association . . . financed with a federally-aided mortgage or authority-aided mortgage or advance or grant from the authority.")

Analyst: C. Couch

---

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