



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5244 (Substitute S-2 as reported)
Sponsor: Representative Mary Ann Middaugh
House Committee: Commerce
Senate Committee: Commerce and Labor

CONTENT

The bill would amend the General Property Tax Act to specify that a statement of personal property required under the Act could provide for a separate line for providing the aggregate total original cost of excluded exempt special tools. This would replace a current requirement that a person claiming a personal property tax exemption for a special tool include in the statement any special tool for which an exemption is claimed, indicating that the special tool is exempt from taxation.

The bill specifies that it would be retroactive and effective on December 31, 2003.

(Under the Act, if a local assessing officer believes that any person is in possession of personal property, the officer must require the person to make a statement of all of that person's personal property, whether owned by that person or held for another. The statement must be completed and delivered to the local assessing officer by February 20 of each year and must be in a form prescribed by the State Tax Commission.)

Public Act 274 of 2003 (Senate Bill 811), which took effect on January 8, 2004, amended the General Property Tax Act to define "special tool" as "a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device, that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device". The length of the economic life of the product manufactured may not be considered in determining whether a device used to manufacture the product is a special tool.

MCL 211.9b

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Date Completed: 2-11-04

Fiscal Analyst: David Zin