



**House  
Legislative  
Analysis  
Section**

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**REPEAL NON-RESIDENT INCOME  
TAX IN DETROIT**

**House Bill 4031**

**Sponsor: Rep. Andrew Richner**

**Committee: Tax Policy**

**Complete to 8-23-01**

**A SUMMARY OF HOUSE BILL 4031 AS INTRODUCED 1-25-01**

The bill would amend the City Income Tax Act to specify that a city with a population of more than 750,000 could not levy and collect a tax on non-resident individuals beginning July 1, 2009. (This would apply only to the City of Detroit.)

Currently, under the act, a city of more than 750,000 is authorized to collect a tax on non-residents at a rate 50 percent of the rate for residents (as are smaller cities). The maximum rate for residents is being reduced by one-tenth of one percent per year until it reaches 2 percent in 2009. For the 2001, the rate for residents is 2.75 percent.

[Note: The main provision of the bill as drafted specifies that the city cannot collect income taxes from non-residents beginning July 1, 2009. However, several related provisions that authorize the collection of the tax on non-residents allow such collections only until June 30, 2008.]

MCL 141.503

House Bill 4031 (8-23-01)

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.