



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

PRINCIPAL RESIDENCE

Senate Bill 129 as passed by the Senate
Sponsor: Sen. Nancy Cassis

Senate Bill 130 as passed by the Senate
Sponsor: Sen. Jason E. Allen

Senate Bill 131 as passed by the Senate
Sponsor: Sen. Patricia L. Birkholz

Senate Bill 132 as passed by the Senate
Sponsor: Sen. Valde Garcia

Senate Bill 133 Substitute (H-2)
Sponsor: Sen. Michelle A. McManus

Senate Bill 134 as passed by the Senate
Sponsor: Sen. Laura M. Toy

Senate Bill 135 as passed by the Senate
Sponsor: Sen. Bill Hardiman

Addendum to SFA Analysis (6-18-03)

Senate Committee: Finance
House Committee: Tax Policy

House Bill 4192 (Substitute H-1)
Sponsor: John Stakoe

House Committee: Tax Policy

Senate Bills 129-135 and House Bill 4192 (6-18-03)

ADDENDUM TO SENATE FISCAL AGENCY ANALYSIS OF SBs 129-135 AS PASSED BY THE SENATE DATED 3-19-03:

HOUSE COMMITTEE ACTION:

The House Committee on Tax Policy reported Senate Bills 129-132 and Senate Bills 134-135 in the same form as passed by the Senate. The committee reported a substitute version of Senate Bill 133 (described later), and added to the package House Bill 4192 as a replacement for Senate Bill 136. A substitute was adopted for House Bill 4192 to tie-bar it to the Senate Bills and to add an effective date of January 1, 2004 (which is the effective date for all of the other bills). A full analysis of this package of bills by the Senate Fiscal Agency dated 3-19-03 is available on the Michigan Legislature web site.

The substitute for Senate Bill 133 adopted by the House Committee on Tax Policy would add a provision to the General Property Tax Act unrelated to the main purpose of the bills, which is to change the name of the “homestead” property tax exemption to the “principal residence” property tax exemption. The substitute would apply an exemption from personal property taxes for federally registered aircraft that now inadvertently only applies to state registered aircraft. The provision exempts from personal property taxation “For taxes levied after December 31, 1988, aircraft excepted from the registration provisions of the Aeronautic Code of the State of Michigan . . . and all other aircraft operating under the provisions of a certificate issued under [relevant federal law], and all spare parts for such aircraft.” Testimony before the committee indicated that the language in law did not actually provide the tax exemption for federally registered aircraft that had been assumed to the case by airlines and state tax officials. As described to the committee, this provision would codify in the General Property Tax Act the current treatment of the personal property of federally registered aircraft by the Department of Treasury.

POSITIONS:

The Michigan Municipal League has indicated support for the bills. (6-18-03)

The Michigan Townships Association has indicated support for the bills. (6-18-03)

The Michigan Association of Counties has indicated support for the bills. (6-18-03)

The Michigan Association of Realtors has indicated support for the bills. (6-18-03)

A representative of Northwest Airlines testified in support of the substitute version of Senate Bill 133. (6-18-03)

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.