

Legislative Analysis



STATE EDUCATION TAX COLLECTION

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 978 as passed by the Senate
Sponsor: Sen. Cameron S. Brown
Senate Committee: Finance
House Committee: Tax Policy

Complete to 11-29-04

A SUMMARY OF SENATE BILL 978 AS PASSED BY THE SENATE 11-4-04

Public Act 244 of 2002 amended the State Education Tax Act to shift the collection of the six-mill State Education Tax to the summer tax levy, beginning with the summer of 2003. The act also permitted the local unit collecting the tax [city or township] to retain \$2.50 per parcel, if the local unit collected no other taxes during the summer other than the SET and village taxes.

The bill would revise the act to allow a local unit to retain \$2.50 per parcel if it collected no summer taxes other than the SET, village taxes, and certain county taxes not levied before the summer of 2005. (Public Act 357 of 2004 shifted the collection of most county taxes to the summer, which had the effect, without this bill, of making local units ineligible for the \$2.50 per parcel retention.)

MCL 211.905b

FISCAL IMPACT:

If this bill is enacted, local units would continue to retain approximately \$4 million from the summer SET collection. If this bill is not enacted, that amount would go instead to the School Aid Fund.

Legislative Analyst: Mark Wolf
Fiscal Analyst: Jim Stansell

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