



**House  
Legislative  
Analysis  
Section**

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**TAX ON THE TRANSFER OF  
MANUFACTURED (MOBILE) HOME**

**House Bills 4106, 4108, and 4205**  
**Sponsor: Rep. Ruth Ann Jamnick**  
**Committee: Commerce**

**Complete to 2-18-03**

**A SUMMARY OF HOUSE BILLS 4106, 4108 AS INTRODUCED 1-29-03 AND 4205 AS INTRODUCED 2-12-03**

House Bill 4106 would amend the Mobile Home Commission Act (MCL 125.2330c et al.) to create a new state transfer tax on the sale or transfer of a mobile home in the state, beginning January 1, 2004. The tax would be at the rate of three percent of the total value of the mobile home being transferred and would be paid to the Department of Consumer and Industry Services when a certificate of title was transferred to a new owner. Revenue from the transfer tax would have to be forwarded to the state treasurer at least once per month and would be credited to the State School Aid Fund.

House Bill 4108 would amend the General Sales Tax Act (MCL 205.54bb) to exempt the sale of a previously owned manufactured home from the state sales tax. House Bill 4205 would amend the Use Tax Act (MCL 205.93 et al.) to specify that the state use tax would not apply to a mobile home, except for a new mobile home purchased at retail outside the state and brought into the state for its initial use.

Under House Bill 4106, the payment of the transfer tax would have to be accompanied by the filing of a valuation affidavit that would contain the value of the mobile home being transferred or sold. The value would be the current or fair market worth in terms of legal monetary exchange at the time of the sale or transfer. The affidavit would be developed and supplied by the department and would have to contain, in addition to the mobile home's value, the names and addresses of the seller or transferor and the buyer or transferee; the description of the mobile home contained in the certificate of title; and any other information required by the department.

Currently, under the Mobile Home Commission Act, when the owner of a mobile home transfers or assigns the title or interest to the home, the Department of Consumer and Industry Services issues a new certificate of title, once certain requirements are met and the appropriate fee paid. (The certificate of title requirements, however, do not apply to a new mobile home owned by a manufacturer or dealer and held for sale.) The department can cancel or refuse to issue a certificate of title under certain circumstances. House Bill 4106 would add to those circumstances an instance where the department had determined that the transfer tax had not been paid or had been underpaid or where the valuation affidavit contained fraudulent or erroneous information.

Analyst: C. Couch

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