



Senate Fiscal Agency  
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BILL ANALYSIS

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House Bill 5241 (Substitute H-1 as reported without amendment)  
Sponsor: Representative James Koetje  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend the accommodations tax Act to allow a county to continue collecting an excise tax on hotels and motels after it no longer meets the population criteria, if the county qualified when it enacted an ordinance to levy the tax.

Under the Act, a county that has a population of less than 600,000 and a city of at least 40,000 may enact an ordinance "to levy, assess, and collect an excise tax from all persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes, except in hospitals or nursing homes, to transient guests, whether or not membership is required for the use of the accommodations". The tax rate may not exceed 5% of the total charge for accommodations.

Under the bill, if a county met the population requirements on the date it enacted an ordinance under the Act, the county could continue to levy, assess, and collect the tax.

MCL 141.862

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

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

Date Completed: 5-6-04

Fiscal Analyst: David Zin