



**House
Legislative
Analysis
Section**

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**RENTALS: NO USE TAX ON TOP OF
PERSONAL PROPERTY TAX**

House Bill 4543

Sponsor: Rep. Clark Bisbee

Committee: Tax Policy

Complete to 8-29-01

A SUMMARY OF HOUSE BILL 4543 AS INTRODUCED 3-28-01

Receipts from the rental and lease of tangible personal property are subject to the state's six percent use tax under certain circumstances. As explained by the Department of Treasury, the use tax is applied to the rental of an item if the tax was not paid on the item at the time of its purchase. A business must decide which form of the tax to pay when the item is acquired: either on the item at the time of the purchase or on the receipts from the rental of the item. House Bill 4543 would amend the Use Tax Act to specify that when the tax was applied to rental receipts, the amount of the rental receipts (the "price") would not include personal property taxes included in the rental receipts or separately itemized on rental receipts.

MCL 205.92

House Bill 4543 (8-29-01)

Analyst: C. Couch

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