



Senate Fiscal Agency  
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BILL ANALYSIS

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House Bill 5551 (Substitute S-1 as reported)  
Sponsor: Representative Chris Ward  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend Public Act 189 of 1953 (which provides for the taxation of lessees and users of tax-exempt property) to require that delinquent taxes levied under the Act be collected at the same time and in the same manner as taxes levied on personal property are collected under Sections 46 and 47(2) the General Property Tax Act (which provide for the collection of unpaid personal property taxes by demand or litigation).

Public Act 189 provides that, with certain exceptions, if real property exempt from ad valorem property taxation is leased, loaned, or otherwise made available to and used in connection with a for-profit business, the lessee or user of the property is subject to taxation (the so-called lessee-user tax) in the same amount and to the same extent as if the lessee or user owned the property.

Presently, taxes levied under the Act must be assessed and collected in the same manner as taxes assessed to owners of real property. Under the bill, taxes levied under the Act would have to be assessed and collected at the same time and in the same manner as taxes collected under the General Property Tax Act.

MCL 211.182

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

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

Date Completed: 12-2-04

Fiscal Analyst: David Zin