

Legislative Analysis



STATE SCHOOL AID FUND CALCULATION

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

House Bill 4818 as introduced
Sponsor: Rep. Jim Ellison
Committee: Tax Policy
Complete to 5-11-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4818 would amend the Use Tax Act to clarify the amount of use tax revenue that must be deposited in the State School Aid Fund.

It is understood that 2020 PA 30¹ inadvertently removed the word “and” below.

*...an amount equal to all revenue lost under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, **and** all revenue lost from basic operating mills...*

Instead of simply restoring the removed word, the language proposed by the bill—which replicates language regarding the personal property exemption from later in the same sentence—is believed to provide more clarity on the calculation.

MCL 205.111

FISCAL IMPACT:

The bill provides a technical fix to the Use Tax Act and would have no state or local impact.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Jim Stansell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ House Fiscal Agency analysis of 2020 PA 30/HB 5188 of 2019-20:
<http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-5187-E4AB5D2D.pdf>