

Legislative Analysis



WATER CONDITIONING SYSTEMS

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House Bill 5490

Sponsor: Rep. Mark Meadows

Committee: Tax Policy

Complete to 3-15-10

A SUMMARY OF HOUSE BILL 5490 AS INTRODUCED 9-30-09

The bill would amend the General Property Tax Act to eliminate the personal property tax exemption for water conditioning systems (such as water softeners) used for residential dwellings.

(The exemption for water softeners was added to the General Property Tax Act with the enactment of Public Act 582 of 1996. Prior to the Public Act 582, companies that rent or lease out water conditioning systems to residential customers had to report on and pay taxes in each local unit where they installed these systems.)

MCL 211.9.

FISCAL IMPACT:

As written, the bill would increase personal property tax revenue by less than \$1.5 million. Of this amount, approximately \$300,000 would accrue to the School Aid Fund. The remainder would go to local governments and school districts.

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Fiscal Analyst: Jim Stansell

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