



Senate Fiscal Agency  
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BILL



ANALYSIS

Telephone: (517) 373-5383  
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House Bill 5444 (Substitute H-1 as reported without amendment)  
House Bill 5445 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Jud Gilbert, II  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

House Bills 5444 (H-1) and 5445 (H-1) would amend the General Sales Tax Act and the Use Tax Act, respectively, to expand the definitions of "rolling stock", which is eligible for a tax exemption under each Act when used in interstate commerce and purchased, rented, or leased by an interstate fleet motor carrier.

The Acts define "rolling stock" as a qualified truck, a trailer designed to be drawn behind a qualified truck, and parts affixed to either a qualified truck or a trailer designed to be drawn behind a qualified truck. The bills would refer to "parts or other tangible personal property affixed to or to be affixed to and directly used in the operation of either a qualified truck or a trailer designed to be drawn behind a qualified truck".

House Bill 5444 (H-1) states that it is curative and intended to clarify the original intent of Public Act 116 of 1999 (which added the rolling stock exemption to the General Sales Tax Act).

House Bill 5445 (H-1) states that it is curative and intended to clarify the original intent of Public Act 477 of 1996 (which added the rolling stock exemption to the Use Tax Act).

MCL 205.54r (H.B. 5444)  
205.94k (H.B. 5445)

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bills would reduce General Fund revenue, School Aid Fund revenue, and local unit revenue by an unknown and likely minimal amount. No information is available regarding the volume of sales affected, and to the extent that many vehicles increasingly come equipped with many of the same types of property that would be affected by the bill, it is possible that the volume of affected sales may decline over time.

Date Completed: 9-19-12

Fiscal Analyst: David Zin