

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5358 (Substitute H-1 as passed by the House)
Sponsor: Representative Kirk A. Profit
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 3-24-98

CONTENT

The bill would amend the State Real Estate Transfer Tax Act to exempt from the real estate transfer tax the conveyance of an interest from a religious society in a house of public worship exempt from property taxation under Section 7s of the General Property Tax Act, or a parsonage. (Section 7s of the General Property Tax Act exempts from property taxes houses of public worship, the furniture in them, and the land on which they stand; any parsonage owned and occupied as a parsonage by a religious society of the State; and buildings or other facilities owned by a religious society and used predominantly for religious services or for teaching the society's religious truths and beliefs.)

The State Real Estate Transfer Tax Act taxes the seller or grantor of property at the rate of three-fourths of 1% of the total value of the property transferred. The Act contains a list of property transfers that are exempt from the tax.

MCL 207.526

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would reduce the revenue generated by the State real estate transfer tax by less than \$1 million in FY 1998-99. The revenue from the State real estate transfer tax is earmarked to the School Aid Fund, so this loss in revenue would have an impact on the School Aid Fund.

Fiscal Analyst: J. Wortley

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