



**House  
Legislative  
Analysis  
Section**

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**USE TAX EXEMPTION:  
PROFESSIONAL RACING TEAMS**

**House Bill 4132**

**Sponsor: Rep. Andrew Raczkowski**

**Committee: Tax Policy**

**Complete to 8-24-01**

**A SUMMARY OF HOUSE BILL 4132 AS INTRODUCED 2-6-01**

The bill would amend the Use Tax Act to exempt from taxation engines or chassis leased, owned, or operated by certain professional motor racing teams, as well as the spare, replacement, and rebuilding parts and components for engines and chassis.

The term “professional racing team” would refer to a team that employed 20 or more full-time employees for the purpose of conducting a motor vehicle racing business for profit, and the team’s existence would be for the purpose of racing one or more vehicles in ten or more competitive events per year as part of a motor racing series sanctioned by one or more motor racing organizations. To qualify as a competitive motor racing event under the bill, an event would require aggregate cash prizes of more than \$800,000. Further, a “motor racing vehicle” for the purposes of the bill would be a vehicle with a chassis, engine, and parts designed exclusively for racing and would not include a stock or production model vehicle modified for use in racing.

MCL 205.94t

House Bill 4132 (8-24-01)

Analyst: C. Couch

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