

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 848 (as reported with amendment)
Sponsor: Senator Bill Bullard, Jr.
Committee: Finance

Date Completed: 3-31-98

RATIONALE

Public Acts 111 and 156 of 1994 both added a Section 4n to the General Sales Tax Act. Public Act 111, effective April 29, 1994, was codified as Michigan Compiled Law 205.54n, or Section 4n; while Public Act 156, effective June 13, 1994, was codified as Michigan Compiled Law 205.54n(1), or Section 4n(1). It has been suggested that, to avoid any confusion, Section 4n(1) be repealed and reenacted with a different section designation.

CONTENT

The bill would amend the General Sales Tax Act to repeal Section 4n(1) of the Act, and reenact the section as a new Section 4q.

Proposed MCL 205.54q

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Section 4n of the Act exempts from the 2% increase in the sales tax, approved by the voters in 1994, sales of electricity, home heating fuel, and natural or artificial gas for residential use. Section 4n(1) exempts from the tax sales to certain nonprofit health, welfare, educational, cultural arts, charitable, or benevolent organizations. The bill would repeal Section 4n(1) and reenact its provisions in another section of the Act, thus distinguishing it from Section 4n.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.