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SFA BILL ANALYSIS

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Senate Joint Resolution A (Substitute S-3)
Sponsor: Senator Michael J. Bouchard
Committee: Finance

Date Completed: 4-27-98

CONTENT

The joint resolution proposes an amendment to Article IV, Section 26 of the State Constitution to provide that no bill to expand the base of, increase the rate of, or repeal or reduce an exemption or a credit from, the State income tax, State sales tax, State use tax, or the single business tax, or successor to those taxes could become law without the concurrence of three-fifths of the members elected to and serving in each house of the Legislature.

Further, no bill to impose a tax could become law without the concurrence of three-fifths of the members elected to and serving in each house. This provision would not apply to a bill that amended a tax act that was in effect on the effective date of the joint resolution, and that was not one of the taxes described above. (This would mean, then, that any taxes in effect on the effective date of the joint resolution could be amended by a majority vote of the members of each house, except the income tax, sales tax, use tax, or single business tax.) As used in this manner, "tax" would mean "a public burden imposed generally upon the inhabitants of this state for governmental purposes, without reference to peculiar benefits to particular individuals or property".

The joint resolution would have to be submitted to the voters at the next general election, if two-thirds of the members elected and serving in each house approved the resolution.

Legislative Analyst: G. Towne

FISCAL IMPACT

The State fiscal impact cannot be determined; however, the resolution would make increasing State taxes more difficult.

Thirteen states impose super majority requirements to increase state taxes. Seven states have enacted super majority votes to pass tax increases in the 1990s. The super majorities vary - seven states impose a two-thirds majority (Arizona, California, Colorado, Louisiana, Nevada, South Dakota, and Washington), four states impose a three-fifths majority (Delaware, Florida, Mississippi, and Oregon), and the remaining two states (Arkansas and Oklahoma) impose a three-fourths majority. In most states, all taxes are included in the super majority restrictions. In Michigan, a three-fourths majority is required to increase local school operating mills and the State education property tax.

Fiscal Analyst: R. Ross

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