
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bills 466 and 467 (as introduced 3-29-99)
Sponsor: Senator Joel D. Gougeon
Committee: Finance

Date Completed: 5-3-99

CONTENT

Senate Bill 466 would amend the General Sales Tax Act, and Senate Bill 467 would amend the Use Tax Act, to exempt from the taxes sales of dust control chemicals to a person that had a service contract with a local governmental unit to spread the chemicals on gravel roads within the local unit.

Senate Bill 466 specifies that a person subject to the sales tax could exclude such a sale from the gross proceeds used to compute the tax. Senate Bill 467 states that the use tax would not apply to the storage, use, or consumption of these dust control chemicals.

Proposed MCL 205.54r (S.B. 466)
Proposed MCL 205.94p (S.B. 467)

Legislative Analyst: G. Towne

FISCAL IMPACT

These bills would reduce sales and use tax revenue by under \$1.0 million. Most of the loss would come from the sales tax, which would reduce School Aid Fund revenue by \$0.7 million, General Fund/General Purpose revenue by \$0.02 million, and State revenue sharing payments to local units of government by \$0.3 million.

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.