
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

Senate Bill 1061 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Joanne G. Emmons
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to provide that certain qualified vending machines would be assessed to the machine's owner at the primary location at which the machine was stored, maintained, or repaired when not offered for public use (the machine's service center), and would not be assessable at the machine's location on tax day (December 31).

The bill would apply to "qualified vending machine property", owned by a "qualified business". "Qualified business" would mean a business whose primary purpose was the retail sale of food, beverages, or tangible personal property from qualified vending machine property; or a business engaged in the manufacture of beverages, a portion of which were distributed through qualified vending machine property. "Qualified vending machine property" would mean tangible personal property that was a self-service device that, upon insertion of a coin, token, card, or paper currency, dispensed food, beverages, or tangible personal property. The machine could not be located on real property owned by the owner of the machine. "Qualified vending machine property" would not include an automatic teller machine, or a pump that dispensed gasoline or other fuels.

The bill contains a list of conditions that would have to be met for qualified vending machine property to be assessed at the machine's service center, including requirements that the service center be located in Michigan; the machine be located in Michigan on tax day; and the owner supply an itemized report of the owner's qualified vending machine property to the assessor of the city or township in which the service center was located. The owner's report would be subject to audit by local tax collecting units and the State Tax Commission.

Proposed MCL 211.8d

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no State fiscal impact. However, the property tax assessed on food, beverage, or tangible personal property vending machines would be based on the owner's location instead of the location of the vending machine, which could shift property tax revenue among local units of government.

Date Completed: 5-9-00

Fiscal Analyst: J. Wortley