
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 830 (as introduced 10-19-99)
Sponsor: Senator Ken Sikkema
Committee: Finance

Date Completed: 11-2-99

CONTENT

The bill would amend the General Property Tax Act to exempt from the tax the personal property of a farmers' cooperative, if the property would be exempt under Section 9(j) if owned by a member of that cooperative. Section 9(j) exempts from the tax personal property actually used in agricultural operations, and farm implements held for sale or resale by retail servicing dealers for use in agricultural production.

The bill provides that "farmers' cooperative" would mean a farmers' cooperative as described in Section 521(b)(1) of the Internal Revenue Code. Section 521(b)(1) states that farmers' cooperatives are farmers', fruit growers', or like associations organized and operated on a cooperative basis for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales (less the necessary marketing expenses), on the basis of either the quantity or the value of the products furnished by them; or for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over the supplies and equipment to them at actual cost, plus necessary expenses.

MCL 211.9

Legislative Analyst: G. Towne

FISCAL IMPACT

Data are not available to accurately determine the fiscal impact.

Fiscal Analyst: R. Ross

S9900\830sa

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.