

Legislative Analysis



END PRISON INMATES SALES TAX EXEMPTION

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House Bill 4980

Sponsor: Rep. Rick Jones

Committee: Tax Policy

Complete to 8-29-05

A SUMMARY OF HOUSE BILL 4980 AS INTRODUCED 6-21-05

The bill would amend the General Sales Tax Act to eliminate the exemption provided for the sale of tangible personal property to inmates in a penal or correctional institution purchased with scrip (or its equivalent) issued and redeemed by the correctional institution. This exemption was added to the General Sales Tax Act with the enactment of Public Act 207 of 1971.

MCL 205.54a

FISCAL IMPACT:

The bill would reduce annual sales tax revenue by an estimated \$0.7 million (\$0.2 million in General Fund/General Purpose revenue and \$0.5 million in School Aid Fund Revenue).

Legislative Analyst: Mark Wolf
Fiscal Analyst: Rebecca Ross

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