

Legislative Analysis



END PRISON INMATES SALES TAX EXEMPTION

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4980 (Substitute H-2)

Sponsor: Rep. Rick Jones

Committee: Tax Policy

Complete to 8-31-05

A SUMMARY OF HOUSE BILL 4980 (H-2) AS REPORTED FROM COMMITTEE

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, beginning October 1, 2005. The bill is tie barred to House Bills 5095-5098 and 5106-5108. 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 increase 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

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.