



**House
Legislative
Analysis
Section**

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EXEMPT SALES BY NONPROFITS

House Bill 4551

Sponsor: Rep. Terry London

Committee: Taxation

Complete to 3-18-91

A SUMMARY OF HOUSE BILL 4551 AS INTRODUCED 3-13-91

The bill would amend the General Sales Tax Act to exempt nonprofit organizations (including religious, fraternal, charitable, and benevolent organizations) from charging sales tax on the sales of tangible personal property when the sales are made for the purpose of fundraising. To qualify, an organization would need to be tax exempt pursuant to Section 501 of the federal Internal Revenue Code. (It should be noted that nonprofit organizations often are exempt from paying sales tax when making purchases. The exemption in the bill applies to cases where a nonprofit organization is selling goods.)

MCL 205.74m