



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

ENTERTAINMENT TAX ACT

House Bill 5066

Sponsor: Rep. Kirk A. Profit

Committee: Taxation

Complete to 8-21-91

A SUMMARY OF HOUSE BILL 5066 AS INTRODUCED 8-1-91

The bill would create the Entertainment Tax Act under which a one percent excise tax would be levied on "entertainment events or activities" with the proceeds to be deposited in a special job training fund to pay for post-secondary training in manufacturing. The effective date of the act would be January 1, 1992. The tax would not be levied on an entertainment event or activity for the benefit of a charitable organization or for the benefit of a public or private school or school district. The act would be collected at the same time and in the same manner as the use tax and would be administered by the revenue division of the Department of Treasury.

The bill would also create the job training fund within the state treasury. The state treasurer could accept money or other assets from any source for deposit into the fund and would direct the investment of the fund. Money in the fund at the end of the year would not lapse to the general fund. The Department of Labor would spend money from the fund, upon appropriation, only for job and employment training in the field of manufacturing at the post-secondary level for Michigan residents. The bill also says: "Nothing in this act prohibits a taxpayer from reimbursing himself or herself by adding the amount of the tax levied to the price of a transaction." The tax would be on the person engaged in the business of providing entertainment events or activities.

House Bill 5066 (8-21-91)