



**House
Legislative
Analysis
Section**

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SALES/USE TAX AMENDMENTS

**House Bills 4550 and 4649
Sponsor: Rep. Terry London
Committee: Tax Policy**

Complete to 10-2-95

A SUMMARY OF HOUSE BILLS 4550 AND 4649 AS INTRODUCED 3-8-95 AND 3-21-95, RESPECTIVELY

House Bill 4550 would amend the General Sales Tax Act (MCL 205.54o et al.) to exempt from the sales tax the portion of the proceeds from the sales of tangible personal property that are in excess of the direct cost of the property. This would apply only to sales for fundraising purposes by non-profit schools, churches, hospitals, parent cooperative preschools, non-profit organizations exempt from federal income tax under sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code, and non-profits that had exemption ruling letters from the Department of Treasury as of June 13, 1994. The provision would apply to all sales after December 31, 1985. House Bill 4649 would amend the Use Tax Act (MCL 205.94) to make a similar amendment.

House Bill 4550 also would allocate to the Aeronautics Fund 25 percent of the collections of the sales tax at 4 percent on fuels sold to propel aircraft and on the sale of new and used aircraft. This would be 25 percent of the collections after the required allocations and distributions were made to cities, villages, and townships (15 percent of collections at 4 percent) and to the state school aid fund (60 percent of collections at 4 percent). The revenue would be used for airport capital improvements, including safety, environmental preservation, infrastructure, and economic development.

House Bills 4550 and 4649 (10-2-95)