



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 29 (Substitute S-1 as reported)
Sponsor: Senator Michael J. Bouchard
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to specify that intangible personal property would be exempt from property taxes. (Under Section 2e of the intangibles tax Act, personal property subject to or expressly exempt from the intangibles tax is exempt from all general property taxes. Repeal of the intangibles tax Act, pursuant to Senate Bill 233, would remove the exemption.)

Further, Senate Bill 29 (S-1) specifies that the taxable status of computer software, as taxed under the General Property Tax Act, would not be affected by the bill's exemption for intangible personal property. (Under the Act, computer software is exempt from taxation, unless the software is incorporated as a permanent component of a computer or other device and not available separately; or the cost of the software is included as part of the cost of a computer.)

The bill is tie-barred to Senate Bills 232 and 233, or House Bill 4233, which would amend the intangibles tax Act to reduce the intangibles tax beginning with the 1994 tax year and eliminate it by 1998.

Proposed MCL 211.9e

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would have no fiscal impact on State or local government. Intangible personal property that is taxed under the intangibles tax is presently exempt from the general property tax. This bill would prevent intangible personal property from being taxed if the intangibles tax were repealed.

Date Completed: 2-6-95

Fiscal Analyst: R. Ross