



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 465 (Substitute S-1 as reported)
Sponsor: Senator Dale L. Shugars
Committee: Finance

CONTENT

The bill would amend the Use Tax Act to exempt from the use tax an assessment that was added to a charge for rooms or lodging that would otherwise be subject to the use tax, imposed pursuant to the accommodations tax Act; the State Convention Facility Development Act; the Regional Tourism Marketing Act; or Public Act 180 of 1992 (which allows certain local units to finance stadium or convention facilities with an excise tax on restaurants, bars, hotels, and motels). The bill would apply to use taxes levied after 1980.

Currently, the use tax applies to rooms or lodging furnished by hotel/motel operators or other persons who furnish accommodations available to the public on the basis of a commercial or business enterprise. The use tax is not levied on the hotel/motel taxes added to room or lodging charges imposed under either the Convention and Tourism Marketing Act or the Community Convention or Tourism Marketing Act.

MCL 205.92

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have very little, if any, fiscal impact on State government. Based on information from the Department of Treasury, the current practice for calculating the use tax on hotel and motel rooms typically does not include the county accommodations tax in the taxable price of the room. Therefore, the bill apparently would bring the Use Tax Act into conformity with current general practice regarding the use tax on hotel and motel rooms.

Date Completed: 5-3-95

Fiscal Analyst: J. Wortley