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BILL



ANALYSIS

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Senate Bill 465

Sponsor: Senator Dale L. Shugars

Committee: Finance

Date Completed: 5-2-95

SUMMARY OF SENATE BILL 465 as introduced 4-25-95:

The bill would amend the Use Tax Act to exempt from the use tax an assessment, imposed pursuant to the accommodations tax Act, that was added to a charge for rooms or lodging that would otherwise be subject to the use tax. The bill would apply to use taxes levied after 1980. The accommodations tax Act permits certain counties to impose and collect a tax on persons who provide rooms or lodging to transient guests.

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.

Fiscal Analyst: J. Wortley

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