



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4588 (Substitute H-2 as passed by the House)

Sponsor: Representative Harold S. Voorhees

House Committee: Tax Policy

Senate Committee: Finance

Date Completed: 11-18-96

CONTENT

The bill would amend the City Income Tax Act to provide that for 1996 and each year thereafter a city that imposed a city income tax could enter into an agreement with the Department of Treasury, under which the Department could administer, enforce, or collect the tax on behalf of the city. City income taxes collected under an agreement would have to be kept in a separate account and paid to the city, except that the Department could retain an amount equal to the actual costs, which would be deposited into the General Fund. The amount to be retained by the Department would have to be included in the agreement.

Proposed MCL 141.508

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would lower the costs to the cities involved to the extent that the costs incurred by local units outweighed the costs the Department of Treasury would incur for handling city income tax collections.

This bill would have no fiscal impact on the State.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.