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VETERANS' CASKETS: NO SALES TAX

**House Bill 5252 as introduced
First Analysis (11-12-97)**

**Sponsor: Rep. Tom Alley
Committee: Tax Policy**

THE APPARENT PROBLEM:

A contingent of military veterans from Gladwin County, including some who serve on the county committee that hears requests for veteran burial allowances, has suggested that one way to ease expenses for the families of veterans when they die, and to pay tribute to their service to our country, would be to exempt caskets and other burial containers from the state sales tax. According to staff to the House Tax Policy Committee, on average families spend from \$1,800 to \$2,800 for a casket (although, of course, they can cost far less and much more), so the savings would be more than symbolic.

THE CONTENT OF THE BILL:

The bill would amend the General Sales Tax Act to exempt from the sales tax the sale of a casket or other outside burial container for the burial of any honorably discharged veteran of the U.S. armed services.

MCL 205.54h

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill would produce a revenue loss of \$1 million to \$2 million each year. (Fiscal Note dated 11-3-97)

ARGUMENTS:

For:

This tax exemption would be another way for the state to honor its veterans of the armed forces and at the same time ease the financial burdens on the families of veterans when they die.

Against:

There are better ways to provide benefits and services to veterans than through the tax code. Using the appropriations process is the better approach.

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POSITIONS:

The Department of Treasury is opposed to the bill. (11-5-97)

The Michigan Education Association has indicated its opposition to the bill. (11-5-97)

Analyst: C. Couch

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