

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 847 (as reported without amendment)
Sponsor: Senator Bill Bullard, Jr.
Committee: Finance

Date Completed: 3-31-98

RATIONALE

Section 4d of the General Sales Tax Act provides that the sales tax does not apply to contracts previously exempt under certain provisions of the Act, if the contracts were entered into, or bid and accepted, before 1970. This provision protected the exemption that contractors enjoyed prior to the passage of Public Act 16 of 1970, which modified the definition of "sale at retail" and therefore the applicability of the sales tax to certain sales of tangible personal property. It has been suggested that Section 4d is no longer necessary.

CONTENT

The bill would amend the General Sales Tax Act to repeal a provision that exempt from the sales tax sales made under contracts that were entered into, or bid and accepted, before January 1, 1970.

MCL 205.54d

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill simply would repeal an obsolete provision in the General Sales Tax Act.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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.