



**House
Legislative
Analysis
Section**

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**NO USE TAX ON CLOTHING
AROUND LABOR DAY**

House Bill 5665
Sponsor: Rep. Sandra Caul
Committee: Tax Policy

Complete to 5-5-00

A SUMMARY OF HOUSE BILL 5665 AS INTRODUCED 4-20-00

The bill would amend the Use Tax Act to exempt clothing and footwear from the use tax during the period of seven days before Labor Day and seven days after Labor Day. The exemption would apply to an article of clothing or footwear with a purchase price of \$500 or less, to be worn on an individual. It would not apply to jewelry or to accessories, other than belts, neckwear, and head scarves.

The state treasurer would be required each year to estimate the amount of use tax not collected as a result of the exemption and then that amount would be transferred from the General Fund to the State School Aid Fund.

MCL 205.94t

House Bill 5665 (5-5-00)

Analyst: C. Couch

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