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NONPRESCRIPTION DRUGS: SALES TAX EXEMPTION

House Bill 4097

Sponsor: Rep. Sal Rocca

Committee: Tax Policy

Complete to 3-6-01

A SUMMARY OF HOUSE BILL 4097 AS INTRODUCED 1-31-01

The General Sales Tax Act exempts the sale of prescription drugs for human use from the sales tax. The bill would amend the act to provide a sales tax exemption for nonprescription medicines or drugs for human use.

The phrase “nonprescription medicines or drugs for human use” is defined in the bill to mean a medicine or drug, whether applied topically or ingested, that is prepackaged and fully prepared by the manufacturer or producer for use by an individual, that has as its primary function the alleviation or prevention of discomfort or pain, and that is sold over the counter without the requirement of a written prescription.

(Note: The exemption for prescription drugs from the sales and use taxes is also in Article IX, Section 8 of the State Constitution.)

MCL 205.54g

House Bill 4097 (3-6-01)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.