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USE TAX EXEMPTION FOR LAUNDERING DENTAL LINENS

House Bill 4208

Sponsor: Rep. Steve Vear

Committee: Tax Policy

Complete to 8-24-01

A SUMMARY OF HOUSE BILL 4208 AS INTRODUCED 2-13-01

Public Acts 365 and 366 of 1998 provided industrial laundries with sales and use tax exemptions for the lease or purchase of various kinds of equipment and machinery, textiles, utility services, and numerous other related items. At the same time, certain sales and leases and laundering and cleaning services made by the laundries were made subject to the taxes. For example, the laundering or cleaning of textiles under a sale, rental, or service agreement with a term of at least five days became subject to the use tax as of 1999. However, the use tax provision does not apply to the laundering or cleaning of textiles used by a restaurant or a retail sales business. House Bill 4208 would amend the Use Tax Act add to those exceptions the laundering or cleaning of textiles used by an individual or entity in the business providing dental services. Such a service would not be subject to the use tax.

MCL 205.93a

House Bill 4208 (8-24-01)

Analyst: C. Couch

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