



**House
Legislative
Analysis
Section**

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

**ELIMINATE SALES TAX ON
FEDERAL GAS TAX**

House Bill 5760

Sponsor: Rep. Thomas George

Committee: Transportation

Complete to 8-28-02

A SUMMARY OF HOUSE BILL 5760 AS INTRODUCED 2-28-02

House Bill 5760 would amend the General Sales Tax Act to eliminate the sales tax on the federal gasoline tax. Currently customers who purchase gasoline in Michigan pay sales tax on the total amount of their purchase, including that portion of the purchase that is the federal tax paid on the gasoline.

The bill would change the definition of "gross proceeds" under the Sales Tax Act, and specify that it would mean the amount received in money, credits, subsidies, property, or other money's worth in consideration of a sale at retail within this state, without a deduction for the cost of the property sold, the cost of material used, the cost of labor or service purchased, an amount paid for interest or a discount, a tax paid on cigarettes or tobacco products at the time of purchase, a tax paid on beer or liquor at the time of purchase or other expense, *"but with a deduction for the amount of any federal gasoline tax paid on gasoline at the time of purchase."*

MCL 205.51

House Bill 5760 (8-28-02)

Analyst: J. Hunault

■ 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.