

PROPERTY TAX; EXEMPTION FOR PHARMACEUTICAL COMPANIES



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FISCAL ANALYSIS

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HOUSE BILL 5726 SUBSTITUTE H-1

Sponsor: Rep. Mary Ann Middaugh

House Committee: Energy and Technology

REVISED COMMITTEE ANALYSIS - 9/23/02

Analyst(s): Jim Stansell

SUMMARY

House Bill 5726 would amend the general property tax act to provide an exemption for new personal property owned or leased by an eligible pharmaceutical company.

An eligible pharmaceutical company must: (1) be engaged primarily in the manufacturing, research and development, and sale of pharmaceuticals; (2) have not less than 8,500 employees located in the state, all of whom are within a 100-mile radius of the tax collecting unit that grants the exemption; and (3) have not less than 5,000 employees in the state engaged primarily in the research and development of pharmaceuticals.

The potential fiscal impact is currently unknown. It will be updated when more complete information becomes available.