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Senate Bill 219 (as introduced 2-15-01)  
Sponsor: Senator Bev Hammerstrom  
Committee: Finance

Date Completed: 9-25-01

### **CONTENT**

The bill would amend the General Sales Tax Act to exempt from the tax sales of food or candy, chewing gum, and toys or other items designed primarily to be used or played with by children, if sold through a coin-operated "bulk vending machine" for 50 cents or less. A "bulk vending machine" would be a vending machine containing unsorted items that, upon insertion of a coin, dispensed items in approximately equal portions at random and without selection by the customer.

Proposed MCL 205.54aa

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

State government - This bill would reduce sales tax revenue an estimated \$0.5 million annually. This loss in revenue would primarily affect the School Aid Fund, because approximately 73% of sales tax revenue is earmarked to the School Aid Fund.

Local governments - A portion of sales tax revenue (24%) is earmarked for revenue sharing payments to local governments, so this bill would have a very small impact on local governments.

Fiscal Analyst: J. Wortley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.