

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1317 (Substitute S-3 as reported)
Sponsor: Senator Valde Garcia
Committee: Finance

CONTENT

The bill would amend the Use Tax Act to exempt from the tax the storage, use, or consumption of an alternative energy system, alternative energy marine propulsion system, or alternative energy vehicle certified for exemption by the Michigan Next Energy Authority pursuant to the Michigan Next Energy Authority Act (proposed by Senate Bill 1316). The exemption would apply to taxes levied after September 30, 2003, and before September 30, 2008. The exemption would not apply to the storage, use, or consumption of a battery cell energy system.

("Alternative energy system", "alternative energy marine propulsion system", "alternative energy vehicle", and "battery cell energy system" would mean those terms as defined in the proposed Michigan Next Energy Authority Act. Senate Bill 1316 (S-5) would create that Act and establish the Michigan Next Energy Authority. The Authority would have to certify an alternative energy system, an alternative energy marine propulsion system, and an alternative energy vehicle as eligible for the use tax exemption.)

Proposed MCL 205.94w

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have a very minimal negative fiscal impact, at most, on use tax collections in FY 2003-04, but would potentially have a larger negative impact in future years.

Date Completed: 6-4-02

Fiscal Analyst: Jay Wortley