

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1321 (Substitute S-3 as reported)
Sponsor: Senator Alan Sanborn
Committee: Finance

CONTENT

The bill would amend the General Sales Tax Act to exempt from the tax sales 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 sales 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 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 sales tax exemption.)

Proposed MCL 205.54aa

Legislative Analyst: George Towne

FISCAL IMPACT

The preliminary analysis is that this bill would have a very minimal negative impact, at most, on sales tax collections at the present time, but would potentially have a much larger negative impact in future years.

Date Completed: 6-4-02

Fiscal Analyst: Jay Wortley