



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5503 (Substitute H-1 as reported by the Committee of the Whole)
Sponsor: Representative Dianne Byrum
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Sales Tax Act to do the following:

- Redefine "sale at retail" and define "sales price" and other terms.
- Extend the sales tax to additional transactions, including the transmission and distribution of electricity, and telephone calling cards.
- Create some exemptions and remove others.
- Revise the deduction of a seller's bad debt.
- Establish new record-keeping requirements for sellers of tangible personal property if Michigan became a member of the Streamlined Sales and Use Tax Agreement.
- Provide for the determination of the source of a sale subject to the use tax.

The bill, together with House Bills 5502 (H-1), 5504 (H-2), and 5505 (H-1), would authorize Michigan's participation in the Streamlined Sales Tax Project (a multistate effort to simplify and modernize sales and use tax collection and administration). All of the bills are tie-barred to each other. House Bill 5503 (H-1) would take effect September 1, 2004.

MCL 205.51 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

Please see **FISCAL IMPACT** on House Bill 5502 (H-1).

Date Completed: 6-8-04

Fiscal Analyst: Jay Wortley