

# Legislative Analysis

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## **TAX REFUND FOR AUCTIONED ITEMS**

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**Senate Bill 1039**

**Sponsor: Sen. Michelle A. McManus**

**House Committee: Tax Policy**

**Senate Committee: Finance**

**Complete to 6-5-06**

## **A SUMMARY OF SENATE BILL 1039 AS PASSED BY THE SENATE 4-26-06**

Senate Bill 1039 would amend the Streamlined Sales and Use Tax Revenue Equalization Act to allow a nonprofit organization to request a refund from the Department of Treasury equal to six percent of the amount of gross proceeds from sales made at a charitable auction. The organization could not seek a refund for any portion of a sale for which sales tax was collected from the purchaser unless the tax collected was refunded to the purchaser. The organization would have to retain in its records certification of the fair market value of the auctioned item. At the organization's option, the refund could be used to reduce the organization's sales tax liability.

MCL 205.184

## **FISCAL IMPACT:**

The bill would reduce sales tax revenue by less than \$1.0 million.

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Fiscal Analyst: Jim Stansell

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