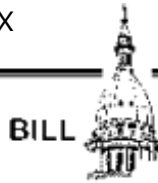




Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383  
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House Bills 6089 and 6090 (as reported without amendment)

Sponsor: Representative Jerry O. Kooiman (H.B. 6089)

Representative Glenn Steil, Jr. (H.B. 6090)

House Committee: Tax Policy

Senate Committee: Finance

**CONTENT**

House Bills 6089 and 6090 would amend the Use Tax Act and the General Sales Tax Act, respectively, to provide that beginning September 1, 2004, delivery charges would not include the charges for delivery of direct mail if the charges were separately stated on an invoice or similar billing document given to the purchaser.

Under the Use Tax Act and the General Sales Tax Act, "delivery charges" means charges by the seller for preparation and delivery to a location designated by the purchaser of tangible personal property or services. Delivery charges include, but are not limited to, transportation, shipping, postage, handling, crating, and packing.

Delivery charges incurred or to be incurred before the completion of the transfer of ownership of tangible personal property from the seller to the purchaser are included in the calculation of the purchase price under the Use Tax Act and the sales price under the General Sales Tax Act.

MCL 205.92b (H.B. 6089)  
205.51a (H.B. 6090)

Legislative Analyst: J.P. Finet

**FISCAL IMPACT**

These bills would reduce sales and use tax collections by about \$1.0 million. As a result, the bills would have small negative revenue impacts on the General Fund, School Aid Fund, and revenue sharing.

Date Completed: 9-18-06

Fiscal Analyst: Jay Wortley