

Legislative Analysis



DELAY TAX ON SERVICES

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Senate Bill 845 (Substitute H-2)
Sponsor: Sen. Cameron Brown
House Committee: Tax Policy
Senate Committee: Finance (Discharged)

Complete to 11-8-07

A SUMMARY OF SENATE BILL 845 AS REPORTED FROM COMMITTEE

The bill would delay the effective date of the new state tax on selected services until December 20, 2007. Currently it is due to take effect December 1, 2007.

The new services tax was put in place by Public Act 93 of 2007. (House Bill 5198)

MCL 205.93 and 93d

FISCAL IMPACT:

A delay in implementation of the new tax on services by itself would reduce use tax revenue by an estimated \$40 million in FY 2007-08. Of the total fiscal impact, General Fund/General Purpose revenue would be reduced by \$26.7 million and School Aid Fund revenue would be reduced by \$13.3 million.

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Fiscal Analyst: Rebecca Ross

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