

Legislative Analysis



AGRICULTURAL SALES TAX EXEMPTION

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Senate Bill 1121

Sponsor: Sen. Patricia L. Birkholz

House Committee: Agriculture

Senate Committee: Agriculture

Complete to 9-16-08

A SUMMARY OF SENATE BILL 1121 AS PASSED BY THE SENATE

Senate Bill 1121 would amend the General Sales Tax Act (MCL 205.54a) to provide a tax exemption for machinery (1) that is capable of simultaneously harvesting grain and other crops and biomass residue from grain and other crops, or (2) machinery manufactured after the effective date of the bill for the purpose of harvesting agricultural biomass grown solely as an energy source. In each case, the exemption would be added where existing exemptions for agricultural machinery exist.

The term "biomass" means crop residue used to produce energy or agricultural crops grown specifically for the production of alternative energy.

This bill has the same content as House Bill 5862, which has passed the House.

FISCAL IMPACT:

The bill would have no fiscal impact because the machinery described in the bill is exempt from the sales tax under current law.

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