



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 883 (Substitute S-1 as reported)

Sponsor: Senator Jason E. Allen

Committee: Commerce and Tourism

CONTENT

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

- Require a person who engaged in any business in Michigan that was taxable under the Act to indicate on the application or renewal for a sales tax license if the person was subject to the Tobacco Products Tax Act.
- Allow the State Treasurer, or his or her designee, to suspend a person's sales tax license, after notice and a hearing, if the person knowingly violated the Tobacco Products Tax Act.

If a sales tax license were suspended under the bill, the Department of Treasury would have to identify on its website the name, address, and business name of the person whose license had been suspended.

MCL 205.53

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. To the extent that the bill would serve as a deterrent to violating the Tobacco Products Tax Act, there could be a modest increase in license fee revenue. However, any increase could be offset by a corresponding decrease in fines and penalties. Revenue from license fees and penalties under the Tobacco Products Tax Act is used for the administration of that Act.

Date Completed: 3-10-08

Fiscal Analyst: Stephanie Yu