

Legislative Analysis



SALES AND USE TAX: PERIODICALS

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House Bills 6217 & 6218

Sponsor: Rep. Mark Meadows

Committee: Tax Policy

Complete to 6-7-10

A SUMMARY OF HOUSE BILLS 6217 & 6218 AS INTRODUCED 5-27-10

The Sales Tax Act and the Use Tax Act each contain a subsection that exempts from taxation the sale of copyrighted motion picture films, newspapers, and certain periodicals. The bills would eliminate the exemption for ***periodicals*** as of October 1, 2010. (The other exemptions would remain unchanged in these bills. However, other proposed legislation, House Bills 6215 and 6216, would eliminate the motion picture films exemptions.)

House Bill 6217 would amend the Use Tax Act (MCL 205.54a).

House Bill 6218 would amend the General Sales Tax Act (MCL 205.94).

Specifically, the exemption now applies to *a newspaper or periodical admitted under federal postal laws and regulations effective September 1, 1985 as second-class mail matter or as a controlled circulation publication or qualified to accept legal notices for publication in this state, as defined by law, or any other newspaper or periodical of general circulation, established not less than two years, and published not less than once a week.*

FISCAL IMPACT:

As written, the bills would increase sales and use tax revenue by \$30 to \$40 million.

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