Legislative Analysis

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END PRISONER SALES TAX EXEMPTION

House Bill 4658
Sponsor: Rep. Anthony G. Forlini
Committee: Tax Policy

Complete to 11-28-11

A SUMMARY OF HOUSE BILL 4658 AS INTRODUCED 5-18-11

The bill would amend the General Sales Tax Act to eliminate the exemption provided for the sale of tangible personal property to inmates in a penal or correctional institution purchased with scrip (or its equivalent) issued and redeemed by the correctional institution. This exemption was added to the General Sales Tax Act with the enactment of Public Act 207 of 1971. As introduced, the bill would eliminate the exemption effective October 1, 2011.

[Note: The exemption would have been repealed by the enactment of Public Act 224 of 2005 (House Bill 4980), but the repeal never took effect because a bill to which it was tie-barred was vetoed.]

MCL 205.54a

FISCAL IMPACT:

As written, the bill would increase sales tax revenue by approximately $500,000.

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