Legislative Analysis

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END PRISONER SALES TAX EXEMPTION

House Bill 4658 as enacted
Public Act 126 of 2012
Sponsor: Rep. Anthony G. Forlini
House Committee: Tax Policy
Senate Committee: Finance

Complete to 7-18-13

A SUMMARY OF HOUSE BILL 4658 AS ENACTED

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. The bill would eliminate the exemption effective October 1, 2012.

[Note: This exemption was supposed to have been repealed by the enactment of Public Act 224 of 2005 (House Bill 4980), but PA 224 (and the repeal) never went into effect because a bill to which the repeal was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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