



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 28 (Substitute S-1 as reported)
Sponsor: Senator Goeff Hansen
Committee: Finance

CONTENT

The bill would amend the revenue Act to allow taxes to be paid by credit card, and require the Department of Treasury to determine which major credit cards could be accepted for payment.

The Department could add a processing fee for taxes paid by credit card, but the fee could not exceed the charges the State incurred because of the use of the credit card.

Currently, all taxes administered by the Act must be paid by bank draft, check, cashier's check, certified check, money order, cash, or electronic funds transfer.

MCL 205.19

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The Department of Treasury would incur additional administrative costs to implement the credit card payment procedures that would be permitted by the bill; however, these could be absorbed within existing resources. Under the bill, the Department would be permitted, but not required, to charge a processing fee for credit card payments. The fee would be limited by the bill to the costs incurred by the State for accepting credit card payments. Assuming the Department charged the permitted fee, there would be no additional expense or loss of revenue to the State due to the use of credit cards.

Date Completed: 4-26-11

Fiscal Analyst: Elizabeth Pratt