



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4658 (as reported without amendment)

Sponsor: Representative Anthony G. Forlini

House Committee: Tax Policy

Senate Committee: Finance

CONTENT

The bill would amend the General Sales Tax Act to set an October 1, 2012, expiration date on the exemption for sales to inmates. This exemption applies to the purchase of personal property by an inmate of a penal or correctional institution with scrip or its equivalent issued and redeemed by the institution.

MCL 205.54a

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would increase sales tax revenue by approximately \$0.5 million per year. Slightly more than 73% of sales tax revenue is earmarked to the School Aid Fund, while local units of government receive 10% of sales tax revenue through constitutional revenue sharing. As a result, School Aid Fund revenue would increase by approximately \$366,500 per year and local unit revenue would rise by approximately \$50,000 per year. The balance would go to the State's General Fund.

Date Completed: 3-14-12

Fiscal Analyst: David Zin