

Legislative Analysis



SALES AND USE TAX EXEMPTIONS: INCONTINENCE AND FEMININE HYGIENE PRODUCTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bills 5879 & 5880
Sponsor: Rep. Lisa Posthumus Lyons
Committee: Tax Policy
Complete to 11-8-16

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

The bills would provide exemptions from the state's sales and use taxes for retail sales of incontinence products and feminine hygiene products.

The term "Feminine hygiene products" is defined as tampons, sanitary napkins, and other similar tangible personal property.

The term "Incontinence products" is defined as adult diapers, waterproof pants, protective underwear, incontinence pads, and other similar tangible personal property.

House Bill 5879 would amend the General Sales Tax Act (MCL 205.54a). House Bill 5880 would amend the Use Tax Act (MCL 205.94). The bills would take effect 90 days after enactment.

FISCAL IMPACT:

As written, the bills would reduce sales and use tax revenue by approximately \$9.0 million on a full fiscal year basis, although that estimate would be expected to increase over time given the projected growth in sales of adult incontinence products. With a \$9.0 million revenue reduction, the School Aid Fund would decline by roughly \$6.6 million. General fund revenue and Constitutional revenue sharing to local units would decline by smaller amounts.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.