



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 887 (Substitute S-4 as reported by the Committee of the Whole)  
Sponsor: Senator Jack Brandenburg  
Committee: Finance

### **CONTENT**

The bill would amend the Use Tax Act to specify that a person engaged in the business of constructing, altering, repairing, or improving real estate for others would not be liable for the tax levied under the Act for storing, using, or consuming tangible personal property acquired from another person to the extent that the tangible personal property was purchased by that other person and that person was not exempt from the tax levied under the Act or the General Sales Tax Act, and that tangible personal property was acquired by the person engaged in the business of constructing, altering, repairing, or improving real estate for others for the sole purpose of affixing that tangible personal property to real estate on behalf of that other person.

The bill states the following: "It is the intent of the legislature that this amendatory act clarifies that existing law as originally intended provides that the tax levied under this act does not apply to tangible personal property acquired by a person engaged in the business of installing tangible personal property if that tangible personal property is purchased by another for installation on behalf of that other person."

Proposed MCL 205.94ee

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have little to no impact on use tax revenue.

Date Completed: 4-18-18

Fiscal Analyst: David Zin