



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4999 (as passed by the House)  
Sponsor: Representative Rob VerHeulen  
House Committee: Michigan Competitiveness

### **CONTENT**

**The bill would create a new statute to prohibit a local unit of government from imposing a tax or fee on the sale, manufacture, or distribution of food.**

Specifically, except as otherwise provided by Federal law or a law of this State, a local unit of government could not do either of the following:

- Impose an excise tax on the manufacture, distribution, wholesale sale, or retail sale of food for immediate consumption or nonimmediate consumption.
- Enact, enforce, or administer any ordinance, regulation, resolution, policy, rule, or directive imposing a tax or fee on the manufacture, distribution, wholesale sale, or retail sale of food for immediate consumption or nonimmediate consumption.

"Local unit of government" would mean any local government or its subdivision, including a city, village, township, county, or educational institution; a local public authority, agency, board, commission, or other local governmental, quasi-governmental, or quasi-public body; or a public body that acts or purports to act in a commercial, business, economic development, or similar capacity for a local government or its subdivision.

"Food" would mean that term as defined in Section 1107 of the Food Law (i.e., "articles used for food or drink for humans or other animals, chewing gum, and articles used for components of any such article").

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would not result in an immediate fiscal impact because no local government in Michigan currently levies an excise tax on food. Under current law, some types of local governments arguably have the authority to levy an excise tax. However, it is unknown whether a local government would surpass possible legal hurdles and seek voter approval in the future to levy an excise tax on food, or the rate or extent of the tax base that would be approved. These factors make it impossible to estimate the future revenue loss to local governments that could result from the proposed prohibition against a local excise tax on food. The bill would have no fiscal impact on State government.

Date Completed: 10-10-17

Fiscal Analyst: Elizabeth Pratt