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Senate Bill 1153 (as introduced 9-30-20)
Sponsor: Senator Peter MacGregor
Committee: Economic and Small Business Development

Date Completed: 10-1-20

CONTENT

The bill would amend the General Property Tax Act to exempt from the collection of taxes under the Act personal property comprising a fully automated consumer goods handling system that occupied at least 190,000 square feet of a facility owned, leased, or used by a wholesaler.

Under the bill, "fully automated consumer goods handling system" would mean a supply chain optimization machinery, equipment, repair parts, and software that are component parts of a fully automated integrated goods handling system that separates, sorts, temporarily stores, recombines, and assembles palletized units of consumer goods.

Proposed MCL 211.9h

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a negative fiscal impact on the State and local governments. An additional exemption from personal property taxation would reduce local property tax revenue and State School Aid Fund (SAF) revenue from the State Education Tax, and increase the State cost of the foundation allowance, if the per pupil foundation allowance were maintained. The General Fund is required to reimburse the SAF for lost revenue and additional costs of the personal property tax exemptions. The reduction would depend on the taxable value of the exempted personal property and the millage rates of the affected jurisdictions, but the total cost likely would be less than \$5.0 million per year, based on assumptions using national data for annual capital expenditures on equipment by firms engaged in wholesale trade.

Fiscal Analyst: Ryan Bergan

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