



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 430

Sponsor: Senator Michael J. Bouchard

Committee: Finance

Date Completed: 3-28-95

SUMMARY OF SENATE BILL 430 as introduced 3-23-95:

The bill would amend the General Sales Tax Act to exempt from taxation nonalcoholic beverages in a sealed container, if sold for immediate consumption from a vending machine or by a vendor from a mobile facility.

Currently, under the Act, food or drink intended for immediate consumption sold from a vending machine or by a vendor from a mobile facility is taxable; however, milk, juices, fresh fruit, candy, nuts, chewing gum, cookies, crackers, and chips are exempt if sold in this manner.

MCL 205.54g

Legislative Analyst: G. Towne

FISCAL IMPACT

Assuming this bill would be implemented April 1, 1995, it would decrease sales tax revenue to the State by \$3.9 million in fiscal year 1994-95 and \$8.2 million in fiscal year 1995-96. The fund impacts are described below.

SB 430: Nonalcoholic Beverage Exemption
 Estimated Revenue Impact FY 1994-95 and FY 1995-96
 (dollars in millions)

	<u>FY 94-95</u>	<u>FY 95-96</u>
School Aid	\$ 2.9	\$ 6.0
General Fund	0.6	1.4
Revenue Sharing	0.4	0.8
Total Reduction	\$ 3.9	\$ 8.2

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.