



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 6068 (Substitute H-3 as reported without amendment)
Sponsor: Representative Eric Bush
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the Use Tax Act to exempt from the tax, beginning after 1996, shipping materials transferred and delivered with promotional merchandise that was transferred to a person outside Michigan who redeemed a promotional offer. Currently, promotional merchandise transferred pursuant to a redemption offer to a person located outside Michigan is exempt from the use tax.

MCL 205.94

Legislative Analyst: G. Towne

FISCAL IMPACT

House Bills 6068 (H-3) and 6069 (H-3) would reduce sales and use tax revenue by less than \$100,000 a year. This loss in revenue would be distributed as follows: 73% to School Aid Fund, 24% for revenue sharing, and 3% to the General Fund.

Date Completed: 12-10-96

Fiscal Analyst: J. Wortley