

## DEFINITION OF "TAX" AND "FEE"

House Bill 4437

Sponsor: Rep. Robert Gosselin

Committee: Tax Policy

Complete to 8-31-01

### A SUMMARY OF HOUSE BILL 4437 AS INTRODUCED 3-8-01

The bill would provide a definition of the terms “fee” and “tax” as those terms are used in the laws of the state. The bill would amend Chapter 1 of the Revised Statutes of 1846, entitled “Of the Statutes”, which provides general rules of construction and basic definitions.

The term “fee” would mean a charge voluntarily exchanged for a service rendered or a benefit conferred, the amount of which charge bears a reasonable relationship to the value of the service rendered or benefit conferred and which charge serves a regulatory purpose rather than a revenue raising purpose.

The term “tax” would mean a charge or exaction that is imposed primarily for a public purpose rather than a private purpose and that is designed to raise revenue.

MCL 8.3x

House Bill 4437 (8-31-01)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.