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Senate Bill 1100 (Substitute S-1 as reported)  
Sponsor: Senator John Pappageorge  
Committee: Judiciary

### **CONTENT**

The bill would amend the General Sales Tax Act to do the following:

- Prohibit a person from destroying or altering electronic records required to be maintained under the Act or under the revenue Act.
- Permit the Department of Treasury, between January 1, 2015, and December 31, 2017, to require up to 1,000 people subject to the sales tax to maintain an anti-sales suppression device on their cash registers, electronic cash registers, or any other point-of-sale system, in a manner prescribed by the Department.

The bill would define "anti-sales suppression device" as a tangible device, software program, or any other means used to prevent or detect the use of an automated sales suppression device or zapper, phantom-ware, or a skimming device as those terms are defined in Section 411w of the Michigan Penal Code.

(Section 411w defines "automated sales suppression device" or "zapper" as a software program carried on a memory stick or removable compact disc, accessed through an internet link or any other means, that falsifies the electronic records of electronic cash registers and other point-of-sale systems including transaction data and transaction reports.

"Phantom-ware" means a hidden or installed programming option embedded in the operating system of an electronic cash register, or hardwired into the electronic cash register, that can be used to create a virtual till or may eliminate or manipulate transaction records that may or may not be preserved in digital format to represent the true or manipulated record of transactions in the electronic cash register.

"Skimming device" means any combination of devices or methods that are designed or adapted to be placed on the physical property of another person and to obtain the personal information or personal identifying information of another, or any other information that allows access to a person's financial accounts, from a financial transaction device without the permission of the owner of the financial transaction device.)

MCL 205.68

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

According to Department of Treasury estimates, the cost of the required devices under the bill average about \$600 per unit (such as a cash register). In addition, there would be an additional \$400 per unit cost in system upgrades for the units receiving the devices. If systems were installed in all 1,000 cases, the total cost for the project would be an estimated \$1.0 million for the Department.

Date Completed: 11-13-14

Fiscal Analyst: Joe Carrasco

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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