

# Legislative Analysis

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## ELIMINATE EXEMPTIONS FOR SALE & LEASE OF MOTION PICTURES

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### House Bills 6215 & 6216

Sponsor: Rep. Mark Meadows

Committee: Tax Policy

Complete to 6-21-10

### A SUMMARY OF HOUSE BILLS 6215 & 6216 AS INTRODUCED 5-27-10

The bills would eliminate exemptions from the use tax and the sales tax for the sale of copyrighted motion pictures, as of October 1, 2010.

House Bill 6215 would amend the General Sales Tax Act. (MCL 205.54a)

House Bill 6216 would amend the Use Tax Act. (MCL 205.94)

Under the current exemptions, the lease or purchase of copyrighted motion picture films by movie theaters and others for public viewing are exempt for sales tax or use tax. The bills would end the exemption, thus subjecting such leases and sales to taxation.

### FISCAL IMPACT:

These bills would increase sales/use revenue by an estimated \$8.0 million on a full year basis. Of the total fiscal impact, approximately \$2.7 million would affect the School Aid Fund (SAF) and \$5.3 million would affect the General Fund/General Purpose (GF/GP).

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