



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4222 (Substitute H-1 as reported without amendment)
Sponsor: Representative Kirk A. Profit
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Sales Tax Act to exempt from taxation bakery products that were sold for immediate consumption from a vending machine or by a vendor from a mobile facility.

Generally, under the Act, food for human consumption is exempt from the sales tax. Prepared food intended for immediate consumption is taxable, although there are some exceptions. Food or drink intended for immediate consumption sold from a vending machine or by a vendor from a mobile facility is taxable; however, milk, juice, fresh fruit, candy, nuts, chewing gum, cookies, crackers, and chips are exempt if sold in this manner. Further, bakery products intended for off-premises consumption, such as doughnuts, pastry, bread, and cakes, are exempt.

MCL 205.54g

Legislative Analyst: G. Towne

FISCAL IMPACT

It is estimated that this bill would reduce sales tax collections by less than \$500,000 a year. This would result in reductions of less than \$366,000 in School Aid Fund revenue, \$50,000 in revenue sharing, and \$83,000 in General Fund/General Purpose revenue.

Date Completed: 5-3-95

Fiscal Analyst: J. Wortley