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

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 584 (Substitute S-1)
Senate Bill 585 (Substitute S-2)
Sponsor: Senator Mike Goschka
Committee: Finance

Date Completed: 3-7-00

CONTENT

Senate Bill 584 (S-1) would amend the General Sales Tax Act, and Senate Bill 585 (S-2) would amend the Use Tax Act, to provide that if a taxpayer (a seller) refunded or provided a credit for all or a portion of the amount of the purchase price of returned tangible personal property, the taxpayer also would have to refund or provide a credit for the sales or use tax that the taxpayer added to all or that portion of the amount of the purchase price that was refunded or credited.

Further, Senate Bill 585 (S-2) would require a taxpayer to refund or provide a credit for use tax paid on all or a portion of the amount paid for a service that was refunded or credited, if the taxpayer refunded or provided a credit for all or a portion of an amount paid for a service taxable under the Use Tax Act.

Proposed MCL 205.60
Proposed MCL 205.98

Legislative Analyst: G. Towne

FISCAL IMPACT

Currently, the refund practice for sales and use taxpayers is to refund to customers the sales and use tax paid when a full refund occurs. However, when a partial refund occurs, no sales or use tax is refunded. The fiscal impact of this bill depends on the sales and use tax that would be refunded for partial returns.

Fiscal Analyst: R. Ross

S9900\584sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.