



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



BILL ANALYSIS

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

Senate Bill 1044 (as introduced 1-22-08)
Sponsor: Senator Cameron S. Brown
Committee: Energy Policy and Public Utilities

Date Completed: 1-24-08

CONTENT

The bill would amend the General Sales Tax Act to allow a person subject to the tax to exclude from the gross proceeds used for the computation of the tax, the sale of tangible personal property to a person engaged in the business of constructing, altering, repairing, or improving real estate for others if the property would be used to construct a new renewable energy facility or would be used to enhance the renewable energy capacity of an existing renewable energy facility.

"Renewable energy facility" would mean that term as defined in Section 3 of the Michigan Renaissance Zone Act, e.g., a system that creates energy from a process using residue from agricultural products, forest products, paper products industries, and food production and processing; trees and grasses grown specifically to be used as energy crops; and gaseous fuels produced from solid biomass, animal wastes, or landfills.

Proposed MCL 205.54ee

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

There is not enough information available at this time to make a reasonable estimate of the amount of sales tax revenue that would be foregone under this bill. It is not known how many new renewable energy facilities will be built or how many existing renewable energy facilities will be expanded or improved, and it is not known how much will be spent on the materials and supplies needed to complete these construction projects. The loss in sales tax revenue under this bill would affect the following budget areas by the following percentage amounts: School Aid Fund (73.3%), revenue sharing (24.2%), and General Fund/General Purpose budget (2.5%).

Fiscal Analyst: Jay Wortley

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