



Senate Fiscal Agency
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House Bill 4920 (Substitute S-1 as reported)
House Bill 4921 (Substitute S-1 as reported)
Sponsor: Representative John Walsh
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

House Bills 4920 (S-1) and 4921 (S-1) would amend the General Sales Tax Act and the Use Tax Act, respectively, to restructure provisions that require certain taxpayers to make accelerated payments.

Under Section 6 of each Act, a taxpayer is subject to an accelerated payment schedule if its total tax liability in the previous year was \$720,000 or more, after subtracting sales and use taxes on motor vehicles.

Section 6(2) prescribes the amounts that the taxpayer must pay until December 31, 2013. Section 6(3) prescribes the amounts the taxpayer must pay, beginning January 1, 2014.

The bills would retain the current schedules but combine them in subsection (2).

MCL 205.56 (H.B. 4920)
205.96 (H.B. 4921)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have a negligible effect on State revenue. The changes are largely technical in that they would correct a section number problem created when Public Acts 117 and 118 of 2012 were enacted. Those Acts inserted the current subsection (3) in Section 6 of the Use Tax Act and Section 6 the General Sales Tax Act, respectively, and renumbered the remaining subsections. However, several sections elsewhere in the Sales Tax Act and the Use Tax Act make reference to specific subsections of Section 6. The bills would restructure the current statutes so that the other sections still refer to the appropriate subsections.

Date Completed: 12-4-14

Fiscal Analyst: David Zin