
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 622 (as introduced 6-25-98)

Sponsor: Senator Bill Bullard, Jr.

Committee: Finance

Date Completed: 5-22-98

CONTENT

The bill would amend the General Sales Tax Act to provide that the sales tax exemption for inmates making purchases in a penal or correctional institution would apply to purchases made with tokens, or a debit card, issued by the institution.

Currently, the Act exempts sales to inmates in a penal or correctional institution purchased with scrip. The bill would eliminate this provision.

MCL 205.54a

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would have no fiscal impact on State or local governments. Under current law, purchases made by inmates using scrip are exempt from the sales tax; however, scrip is no longer used in Michigan's correctional institutions. Currently, tokens are used, and these will be replaced shortly with debit cards. Therefore, this bill would update this current sales tax exemption to include purchases by inmates using tokens or debit cards.

Fiscal Analyst: J. Wortley

S9798\S622SA

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.