



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 656 (Substitute S-1 as reported)
Sponsor: Senator Ron Jelinek
Committee: Appropriations

(as enrolled)

CONTENT

Senate Bill 656 (S-1) would amend the General Sales Tax Act to reduce FY 2006-07 sales tax revenue to the Comprehensive Transportation Fund (CTF) by \$10.27 million and increase revenue to the General Fund by the same amount.

Under current law, a percentage of the general sales tax revenue on motor vehicle-related sales is deposited into the Comprehensive Transportation Fund. The remainder of that revenue is deposited into the General Fund. The bill would reduce the amount deposited into the CTF in FY 2006-07 by \$5.0 million, thereby increasing revenue to the General Fund by the same amount.

The bill also would reduce revenue to the CTF by an additional \$5.27 million in relation to Senate Bill 676. That bill would lapse \$5.27 million in the Soo Locks Fund back to the Comprehensive Transportation Fund and increase amounts available in the CTF. The reduction of general sales tax revenue to the CTF in Senate Bill 656 (S-1) would maintain the amount available in that Fund and increase revenue to the General Fund by the same amount. The two bills combined would, in effect, transfer amounts in the Soo Locks Fund to the General Fund.

MCL 205.75

FISCAL IMPACT

The bill would reduce FY 2006-07 sales tax revenue to the Comprehensive Transportation Fund (CTF) by \$10.27 million and increase revenue to the General Fund by the same amount. This would implement a portion of the FY 2006-07 budget agreement.

Date Completed: 8-6-07

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