



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

BILL ANALYSIS



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

House Bill 5952 (as passed by the House)
Sponsor: Representative Aric Nesbitt
House Committee: Energy and Technology
Senate Committee: Energy and Technology

Date Completed: 12-10-12

CONTENT

The bill would amend the Emergency 9-1-1 Service Enabling Act to revise procedures for the remittance to the State of a 9-1-1 surcharge collected by sellers of prepaid wireless service.

The Act requires a seller of prepaid wireless telecommunications to collect from a consumer a 9-1-1 surcharge of 1.92% for each retail transaction occurring in Michigan.

The surcharge must be remitted at the same time and in the same manner as the taxes provided by the General Sales Tax Act. The Department of Treasury must establish record-keeping, payment, and other procedures for providers or sellers that are substantially similar to those applicable procedures for taxpayers imposed under that Act. The Department must deposit the surcharges in the Emergency 9-1-1 Fund. The bill would delete these provisions, and instead require the seller to remit the surcharge to the State Treasurer on a monthly basis for deposit into the Fund.

Currently, the surcharge must be administered by the Department of Treasury under Public Act 122 of 1941 (which governs the Department's Revenue Division) and the Emergency 9-1-1 Service Enabling Act. If the provisions of these Acts conflict, the provisions of the Emergency 9-1-1 Service Enabling Act apply. The Department of Treasury must promulgate rules to implement the requirements regarding collection of the prepaid wireless 9-1-1 surcharge. The bill would delete all of these provisions.

MCL 484.1401c

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Bruce Baker

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