



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 1324 (as introduced 6-29-04)
Sponsor: Senator Wayne Kuipers
Committee: Finance

Date Completed: 6-30-04

CONTENT

The bill would amend the revenue Act to require the Department of Treasury to use all of its authority and powers under the Act and the laws of the State to ensure the proper collection of all taxes administered under the Act if a Federally recognized Indian tribe did not enter into a tribal agreement with the Department or had terminated or breached a tribal agreement, or for any tax not covered by a tribal agreement.

The department would be authorized to take action against any person conducting business with an Indian tribe or individual tribal member who was in violation of the tax laws of the State administered under the revenue Act. The Department would have to search for contraband and other illegal, untaxed, or undertaxed goods, and use appropriate search methods to ensure that every person conducting business with an Indian tribe or individual tribal members was in compliance with the tax laws of the State administered under the revenue Act.

MCL 205.30c

BACKGROUND

Section 30c of the revenue Act allows the Department of Treasury to enter into a tribal agreement with a Federally recognized Indian tribe specifying the applicability of a State tax to that tribe, its members, and any person conducting business with them. The tribe, its members, and any person conducting business with them remain fully subject to the State's tax laws, except as specifically provided by an agreement in effect for the period at issue.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have an indeterminate impact on State government. The State currently has eight tribal agreements, one pending, and three tribes without agreements. The agreements include sharing of revenue collected between the State and the tribes. The tribes receive two-thirds of the revenue. Due to the fact that these agreements are fairly recent, no data are available regarding collections. The Department of Treasury also does not have an estimate of tax revenue that is not being collected.

Fiscal Analyst: Bill Bowerman

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