



MICHIGAN  
HOUSE OF REPRESENTATIVES  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

MINUTES OF THE COMMITTEE  
ON  
TAX POLICY

Wednesday, February 11, 2015                      10:30 a.m.                      Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jeff Farrington.

Members present: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Clemente, LaVoy, and Byrd.

Members absent/excused: Representative Townsend.

Representative Maturen moved to excuse absent members.

The motion prevailed by unanimous consent.

Representative Maturen moved to adopt the minutes from the Wednesday, February 4, meeting.

The motion prevailed by unanimous consent.

The Chair laid HB 4018 before the committee.

HB 4018 (Farrington)                      Sales tax; definitions; definition of prewritten computer software;  
revise.

Howard Ryan, Mike Eshelbeth, and Scott Dorragan, representing the Michigan Department of Treasury, submitted a testimony card in opposition to HB 4018 and HB 4019 wishing to speak.

John Lindley, representing the Michigan Association of Certified Public Accountants, submitted a testimony card in support of HB 4018 and HB 4019, but did not wish to speak.

Allie Bush, representing the Grand Rapids Area Chamber of Commerce, submitted a testimony card in support of HB 4018 and HB 4019, but did not wish to speak.

Rebecca A Rocho, representing the Calhoun Intermediate School District, submitted a testimony card in opposition of HB 4018 and HB 4019, but did not wish to speak.

Kathleen Merry, representing the Wayne Regional Educational Service Agency, submitted a testimony card in opposition of HB 4018 and HB 4019, but did not wish to speak.

Representative LaVoy offered the following amendment to HB 4018:

1. Amend page 7, following line 25, by inserting: **“ENACTING SECTION 2. THIS AMENDATORY ACT DOES NOT TAKE EFFECT UNLESS HOUSE JOINT RESOLUTION UU OF THE 97<sup>TH</sup> LEGISLATURE BECOMES A PART OF THE STATE CONSTITUTION OF 1963 AS PROVIDED IN SECTION 1 OF ARTICLE XII OF THE STATE CONSTITUTION OF 1963.”**.

Representative LaVoy moved to adopt the amendment to HB 4018.

The motion failed by a vote of 3-9-0.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, and Webber.

PASS: None.

Representative LaVoy offered the following amendment to HB 4018:

1. Amend page 7, following line 25, by inserting: **“ENACTING SECTION 2. THE LEGISLATURE SHALL ANNUALLY APPROPRIATE SUFFICIENT FUNDS FROM THE STATE GENERAL FUND TO THE STATE SCHOOL AID FUND CREATED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 TO FULLY COMPENSATE FOR ANY LOSS OF REVENUE TO THE STATE SCHOOL AID FUND RESULTING FROM THE ENACTMENT OF THIS AMENDATORY ACT.**

**ENACTING SECTION 3. THE LEGISLATURE SHALL ANNUALLY APPROPRIATE SUFFICIENT FUNDS FROM THE STATE GENERAL FUND TO CITIES, VILLAGES, AND TOWNSHIPS TO FULLY COMPENSATE FOR ANY LOSS OF REVENUE UNDER SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 RESULTING FROM THE ENACTMENT OF THIS AMENDATORY ACT.”**.

Representative LaVoy moved to adopt the amendment to HB 4018.

The motion failed by a vote of 4-8-0.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Howrylak, Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Chatfield, Glenn, Iden, and Webber.

PASS: None.

Representative Maturen moved to report HB 4018, with recommendation.

The motion prevailed by a vote of 11-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, LaVoy, and Byrd.

NAYS: None.

PASS: Representative Clemente.

The Chair laid HB 4019 before the committee.

HB 4019 (Farrington) Use tax; definitions; definition of prewritten computer software; revise.

Representative Clemente offered the following amendment to HB 4019:

1. Amend page 7, following line 20, by inserting: **“ENACTING SECTION 2. THIS AMENDATORY ACT DOES NOT TAKE EFFECT UNLESS HOUSE JOINT RESOLUTION UU OF THE 97<sup>TH</sup> LEGISLATURE BECOMES A PART OF THE STATE CONSTITUTION OF 1963 AS PROVIDED IN SECTION 1 OF ARTICLE XII OF THE STATE CONSTITUTION OF 1963.”**.

Representative Clemente moved to adopt the amendment to HB 4019.

The motion failed by a vote of 3-9-0.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, and Webber.

PASS: None.

Representative Clemente offered the following amendment to HB 4019:

1. Amend page 7, following line 20, by inserting: **“ENACTING SECTION 2. THE LEGISLATURE SHALL ANNUALLY APPROPRIATE SUFFICIENT FUNDS FROM THE STATE GENERAL FUND TO THE STATE SCHOOL AID FUND CREATED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 TO FULLY COMPENSATE FOR ANY LOSS OF REVENUE TO THE STATE SCHOOL AID FUND RESULTING FROM THE ENACTMENT OF THIS AMENDATORY ACT.”**.

Representative Clemente moved to adopt the amendment to HB 4019.

The motion failed by a vote of 4-8-0.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Howrylak, Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Chatfield, Glenn, Iden, and Webber.

PASS: None.

Representative Maturen moved to report HB 4019, with recommendation.

The motion prevailed by a vote of 11-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, LaVoy, and Byrd.

NAYS: None.

PASS: Representative Clemente.

The Chair laid before the committee HB 4051:

HB 4051 (Farrington) Taxation; administration; disclosure of certain tax-exempt property; provide for.

The Chair introduced his bill with Representative Chang, and answered questions from committee members.

Marshall Hunt, representing the Accounting Aid Society, testified in support of HB 4051.

The following people submitted testimony cards in support of HB 4051, but did not wish to speak:

Jon Lindley, representing the Michigan Association of Certified Public Accountants.

Ross Yednock, representing the Michigan Economic Impact Coalition.

Paul Conners, representing the Michigan Department of Treasury.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 10:51 a.m.

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Representative Jeff Farrington, Chair

Kevin Gawronski  
Committee Clerk  
February 11, 2015  
21 minutes

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Date Approved and Signed