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To: Honorable Members of the Michigan House of Representatives
From: Amanda Fisher, State Director, NFIB
Date: March 16, 2023
RE: Support House Bills 4039 and 4253 – Sales and Use Tax Exemption for
Delivery and Installation

On behalf of NFIB's small business owners across Michigan, we are asking for your support of House Bills 4039 and 4253.

Sales tax on services has a long history. There have been many attempts by the Department of Treasury, the Legislature, and Administrations to expand Michigan's sales tax to services. The most recent attempt was in 2007 when, in order to fund a budget deficit, legislation was passed that taxed certain services. This legislation wound up being so egregious that the Legislature repealed their own legislation two months later.

Delivery and installation are most undoubtedly, services. However, Treasury continues to collect sales and use tax on these services as if they are goods, causing confusion and additional costs to small business owners in Michigan. This bill would prevent that practice and hold the Department to current statute.

It is unfortunate that necessity dictates these bills, but nevertheless NFIB is grateful for the Legislature's willingness to intervene and ask that you support House Bills 4039 and 4253.

Thank you for your support of small business.