



## Memo

**To:** AGC Members

**From:** Bart Carrigan, President

**Date:** 10/1/07

**Re:** State Budget Deal Extends Sales Tax to Some Services: **Construction Not on List**

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Below is the list of services to be taxed at 6% as a result of the Michigan's 2008 Budget Deal. Please note that construction is not on the list, even though we were on the original list distributed last spring (on the Governor's 2008 Tax and Budget Proposal)

Hard work by AGC members, officers, directors, staff and consultant Jim Crawford (Karoub Associates) this summer resulted in fair treatment for contractors on the Michigan Business Tax and again, now, on the 2008 State Budget deliberations.

Please note that there are some services listed that will affect construction businesses, such as interior design, landscaping, carpet/upholstery, office administration, security system services and consulting.

We will send you detailed information ASAP so that you can assess the impact. In November, the AGC of Michigan will hold a construction-specific seminar on the new Michigan Business Tax and the impact of the 2008 budget. A date will be announced soon.

### **Services Subject to 6% sales tax passed on October 1, 2007**

- Business Service Centers
- Carpet/Upholstery
- Couriers and Messengers
- Document Prep Services
- Investigation Guard/Armored Car
- Janitorial
- Investment Advice
- Landscaping
- Mini-warehouse and self-storage
- Transit and Ground Passenger, limo and cab
- Office Administration
- Other Personal Services
- Other Travel and Reservation
- Personal care, no haircuts
- Scenic Transportation
- Security System Services
- Service Contracts
- Skiing
- Interior Design
- Tour operators
- Consulting
- Packaging and labeling services
- Warehousing and storage