

SENATE BILL No. 1067

June 12, 2018, Introduced by Senators KNEZEK, SCHMIDT, PROOS and HERTEL and referred to the Committee on Economic Development and International Investment.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2015 PA 262.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 shall be deposited by the department in the state treasury to the
3 credit of the general fund, except as otherwise provided in this
4 section.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% shall be distributed to cities, villages, and townships
7 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
8 PA 140, MCL 141.901 to 141.921.

9 (3) Sixty percent of the collections of the tax imposed at a
10 rate of 4% shall be deposited in the state school aid fund
11 established in section 11 of article IX of the state constitution

1 of 1963 and distributed as provided by law. In addition, all of the
2 collections of the tax imposed at the additional rate of 2%
3 approved by the electors March 15, 1994 shall be deposited in the
4 state school aid fund.

5 (4) Not less than 27.9% of 25% of the collections of the
6 general sales tax imposed at a rate of 4% directly or indirectly on
7 fuels sold to propel motor vehicles upon highways, on the sale of
8 motor vehicles, and on the sale of the parts and accessories of
9 motor vehicles by new and used car businesses, used car businesses,
10 accessory dealer businesses, and gasoline station businesses as
11 classified by the department shall be deposited each year into the
12 comprehensive transportation fund created in section 10b of 1951 PA
13 51, MCL 247.660b.

14 (5) Beginning October 1, 2016 and the first day of each
15 calendar quarter thereafter, an amount equal to the collections for
16 the calendar quarter that is 2 calendar quarters immediately
17 preceding the current calendar quarter of the tax imposed under
18 this act at the additional rate of 2% approved by the electors on
19 March 15, 1994 from the sale at retail of aviation fuel shall be
20 distributed as follows:

21 (a) An amount equal to 35% of the collections of the tax
22 imposed at a rate of 2% on the sale at retail of aviation fuel
23 shall be deposited in the state aeronautics fund and shall be
24 expended, on appropriation, only for those purposes authorized in
25 the aeronautics code of the state of Michigan, 1945 PA 327, MCL
26 259.1 to 259.208.

27 (b) An amount equal to 65% of the collections of the tax

1 imposed at a rate of 2% on the sale at retail of aviation fuel
2 shall be deposited in the qualified airport fund and shall be
3 expended, on appropriation, only for those purposes authorized
4 under section 35 of the aeronautics code of the state of Michigan,
5 1945 PA 327, MCL 259.35.

6 (6) The department shall, on an annual basis, reconcile the
7 amounts distributed under subsection (5) during each fiscal year
8 with the amounts actually collected for a particular fiscal year
9 and shall make any necessary adjustments, positive or negative, to
10 the amounts to be distributed for the next successive calendar
11 quarter that begins January 1. The state treasurer or his or her
12 designee shall annually provide to the operator of each qualified
13 airport a report of the reconciliation performed under this
14 subsection. The reconciliation report is subject to the
15 confidentiality restrictions and penalties provided in section
16 28(1)(f) of 1941 PA 122, MCL 205.28.

17 (7) An amount equal to the collections of the tax imposed at a
18 rate of 4% under this act from the sale at retail of computer
19 software as defined in section 1a shall be deposited in the
20 Michigan health initiative fund created in section 5911 of the
21 public health code, 1978 PA 368, MCL 333.5911, and shall be
22 considered in addition to, and is not intended as a replacement for
23 any other money appropriated to the department of community health
24 or its successor. The funds deposited in the Michigan health
25 initiative fund on an annual basis shall not be less than
26 \$9,000,000.00 or more than \$12,000,000.00.

27 (8) AN AMOUNT EQUAL TO 50% OF THE TOTAL ANTICIPATED

1 INCREMENTAL INCREASE IN THE COLLECTIONS OF THE TAX IMPOSED UNDER
2 THIS ACT ATTRIBUTABLE TO THE PREPARATION FOR AND HOSTING OF LARGE
3 SPECIAL EVENTS AND RELATED ACTIVITIES, AS DETERMINED BY THE
4 TREASURER PURSUANT TO SECTION 6(1)(B) OF THE LARGE SPECIAL EVENTS
5 FUND ACT, SHALL BE DEPOSITED EACH STATE FISCAL YEAR INTO THE LARGE
6 SPECIAL EVENTS FUND CREATED IN SECTION 4 OF THE LARGE SPECIAL
7 EVENTS FUND ACT.

8 (9) ~~(8)~~—The balance in the state general fund shall be
9 disbursed only on an appropriation or appropriations by the
10 legislature.

11 (10) ~~(9)~~—As used in this section:

12 (a) "Aviation fuel" means fuel as that term is defined in
13 section 4 of the aeronautics code of the state of Michigan, 1945 PA
14 327, MCL 259.4.

15 (b) "Qualified airport" means that term as defined in section
16 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
17 MCL 259.109.

18 (c) "Qualified airport fund" means the qualified airport fund
19 created in section 34(2) of the aeronautics code of the state of
20 Michigan, 1945 PA 327, MCL 259.34.

21 (d) "State aeronautics fund" means the state aeronautics fund
22 created in section 34(1) of the aeronautics code of the state of
23 Michigan, 1945 PA 327, MCL 259.34.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. 1065

26 of the 99th Legislature is enacted into law.