

SENATE BILL NO. 182

March 15, 2023, Introduced by Senators WEBBER, MOSS, POLEHANKI, SANTANA, WOJNO, CHANG, SHINK and DAMOOSE and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2021 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 must 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% must be distributed to cities, villages, and townships

1 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
2 PA 140, MCL 141.901 to 141.921.

3 (3) Sixty percent of the collections of the tax imposed at a
4 rate of 4% must be deposited in the state school aid fund
5 established in section 11 of article IX of the state constitution
6 of 1963 and distributed as provided by law. In addition, all of the
7 collections of the tax imposed at the additional rate of 2%
8 approved by the electors on March 15, 1994 must be deposited in the
9 state school aid fund.

10 (4) Except as otherwise provided in this subsection, not less
11 than 27.9% of 25% of the collections of the general sales tax
12 imposed at a rate of 4% directly or indirectly on fuels sold to
13 propel motor vehicles upon highways, on the sale of motor vehicles,
14 and on the sale of the parts and accessories of motor vehicles by
15 new and used car businesses, used car businesses, accessory dealer
16 businesses, and gasoline station businesses as classified by the
17 department must be deposited each year into the comprehensive
18 transportation fund. For the fiscal year ending September 30, 2021
19 only, the amount deposited into the comprehensive transportation
20 fund under this subsection must be reduced by \$18,000,000.00 and
21 that \$18,000,000.00 must be deposited into the transportation
22 administration collection fund.

23 (5) **Beginning October 15, 2023 and on the fifteenth day of**
24 **every other month thereafter, the department shall deposit at least**
25 **\$88,004,366.66 of the money received and collected from the tax**
26 **imposed at a rate of 4% under this act into the revenue sharing**
27 **trust fund created under section 11a of the Michigan trust fund**
28 **act, 2000 PA 489, MCL 12.261a.**

29 (6) ~~(5)~~ Beginning October 1, 2016 and the first day of each

1 calendar quarter thereafter, an amount equal to the collections for
2 the calendar quarter that is 2 calendar quarters immediately
3 preceding the current calendar quarter of the tax imposed under
4 this act at the additional rate of 2% approved by the electors on
5 March 15, 1994 from the sale at retail of aviation fuel must be
6 distributed as follows:

7 (a) An amount equal to 35% of the collections of the tax
8 imposed at a rate of 2% on the sale at retail of aviation fuel must
9 be deposited in the state aeronautics fund and must be expended, on
10 appropriation, only for those purposes authorized in the
11 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
12 to 259.208.

13 (b) An amount equal to 65% of the collections of the tax
14 imposed at a rate of 2% on the sale at retail of aviation fuel must
15 be deposited in the qualified airport fund and must be expended, on
16 appropriation, only for those purposes authorized under section 35
17 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL
18 259.35.

19 (7) ~~(6)~~—The department shall, on an annual basis, reconcile
20 the amounts distributed under subsection ~~(5)~~—(6) during each fiscal
21 year with the amounts actually collected for a particular fiscal
22 year and shall make any necessary adjustments, positive or
23 negative, to the amounts to be distributed for the next successive
24 calendar quarter that begins January 1. The state treasurer or his
25 or her designee shall annually provide to the operator of each
26 qualified airport a report of the reconciliation performed under
27 this subsection. The reconciliation report is subject to the
28 confidentiality restrictions and penalties provided in section
29 28(1)(f) of 1941 PA 122, MCL 205.28.

1 **(8)** ~~(7)~~—An amount equal to the collections of the tax imposed
2 at a rate of 4% under this act from the sale at retail of computer
3 software must be deposited in the Michigan health initiative fund
4 created in section 5911 of the public health code, 1978 PA 368, MCL
5 333.5911, and must be considered in addition to, and is not
6 intended as a replacement for any other money appropriated to the
7 department of health and human services. The funds deposited in the
8 Michigan health initiative fund on an annual basis must not be less
9 than \$9,000,000.00 or more than \$12,000,000.00.

10 **(9)** ~~(8)~~—An amount equal to all revenue lost to the state
11 school aid fund as a result of the exemptions under sections
12 4a(1)(u) and 4ee, as determined by the department, must be
13 deposited into the state school aid fund established in section 11
14 of article IX of the state constitution of 1963. Money deposited
15 into the state school aid fund under this subsection must not
16 include and must be considered in addition to money deposited in
17 the state school aid fund under subsection (3). A person that
18 claims an exemption under section 4ee shall report the sales price
19 of the data center equipment as defined in section 4ee and any
20 other information necessary to determine the amount of revenue lost
21 to the state school aid fund as a result of the exemption under
22 section 4ee annually on a form at the time and in a manner
23 prescribed by the department. The report required under this
24 subsection must not include any remittance for tax, and does not
25 constitute a return or otherwise alleviate any obligations under
26 section 6.

27 **(10)** ~~(9)~~—The balance in the state general fund shall be
28 disbursed only on an appropriation or appropriations by the
29 legislature.

1 **(11)** ~~(10)~~—As used in this section:

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

5 (b) "Comprehensive transportation fund" means the
6 comprehensive transportation fund created in section 10b of 1951 PA
7 51, MCL 247.660b.

8 (c) "Qualified airport" means that term as defined in section
9 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
10 MCL 259.109.

11 (d) "Qualified airport fund" means the qualified airport fund
12 created in section 34(2) of the aeronautics code of the state of
13 Michigan, 1945 PA 327, MCL 259.34.

14 (e) "State aeronautics fund" means the state aeronautics fund
15 created in section 34(1) of the aeronautics code of the state of
16 Michigan, 1945 PA 327, MCL 259.34.

17 (f) "Transportation administration collection fund" means the
18 transportation administration collection fund created in section
19 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. 183 of the 102nd Legislature is enacted into
22 law.