

**SUBSTITUTE FOR  
HOUSE BILL NO. 5188**

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending section 21 (MCL 205.111), as amended by 2015 PA 263.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 21. (1) Except as provided in subsections (2), (3), (4),  
2 and (5), all money received and collected under this act ~~shall~~**must**  
3 be deposited by the department of treasury in the state treasury to  
4 the credit of the general fund, to be disbursed only by  
5 appropriations by the legislature.

6           (2) The collections from the use tax imposed at the additional  
7 rate of 2% approved by the electors **on** March 15, 1994 ~~shall~~**must** be  
8 deposited in the state school aid fund established in section 11 of  
9 article IX of the state constitution of 1963.



1 (3) From the money received and collected under this act for  
 2 the state share, an amount equal to all revenue lost under the  
 3 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, ~~and~~  
 4 all revenue lost from basic school operating mills as a result of  
 5 the exemption of personal property under sections 9m, 9n, and 9o of  
 6 the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
 7 211.9o, **and all revenue lost to the school aid fund as a result of**  
 8 **the exemption under section 4cc**, as determined by the department,  
 9 ~~shall-must~~ be deposited into the state school aid fund established  
 10 by section 11 of article IX of the state constitution of 1963.  
 11 Funds deposited into the state school aid fund under this  
 12 subsection ~~shall-must~~ not include the portion of the state share of  
 13 the use tax imposed at the additional rate of 2% approved by the  
 14 electors of this state on March 15, 1994 and dedicated for aid to  
 15 schools under subsection (2). **A person that claims an exemption**  
 16 **under section 4cc shall report the purchase price of the data**  
 17 **center equipment as defined in section 4cc and any other**  
 18 **information necessary to determine the amount of revenue lost to**  
 19 **the school aid fund as a result of the exemption under section 4cc**  
 20 **annually on a form at the time and in a manner prescribed by the**  
 21 **department.**

22 (4) Money received and collected under this act for the local  
 23 community stabilization share is not state funds, ~~shall-must~~ not be  
 24 credited to the state treasury, and ~~shall-must~~ be transmitted to  
 25 the authority for deposit in the treasury of the authority, to be  
 26 disbursed by the authority only as authorized under the local  
 27 community stabilization authority act, **2014 PA 86, MCL 123.1341 to**  
 28 **123.1362**. The local community stabilization share is a local tax,  
 29 not a state tax, and money received and collected for the local



1 community stabilization share is money of the authority and not  
2 money of this state.

3 (5) Beginning October 1, 2016 and the first day of each  
4 calendar quarter thereafter, from the money received and collected  
5 under this act for the state share, an amount equal to the  
6 collections for the calendar quarter that is 2 calendar quarters  
7 immediately preceding the current calendar quarter of the tax  
8 imposed under this act at the additional rate of 2% approved by the  
9 electors on March 15, 1994 from the use, storage, or consumption of  
10 aviation fuel ~~shall~~**must** be distributed as follows:

11 (a) An amount equal to 35% of the collections of the tax  
12 imposed at a rate of 2% on the use, storage, or consumption of  
13 aviation fuel ~~shall~~**must** be deposited in the state aeronautics fund  
14 and ~~shall~~**must** be expended, on appropriation, only for those  
15 purposes authorized in the aeronautics code of the state of  
16 Michigan, 1945 PA 327, MCL 259.1 to 259.208.

17 (b) An amount equal to 65% of the collections of the tax  
18 imposed at a rate of 2% on the use, storage, or consumption of  
19 aviation fuel ~~shall~~**must** be deposited in the qualified airport fund  
20 and ~~shall~~**must** be expended, on appropriation, only for those  
21 purposes authorized under section 35 of the aeronautics code of the  
22 state of Michigan, 1945 PA 327, MCL 259.35.

23 (6) The department shall, on an annual basis, reconcile the  
24 amounts distributed under subsection (5) during each fiscal year  
25 with the amounts actually collected for a particular fiscal year  
26 and shall make any necessary adjustments, positive or negative, to  
27 the amounts to be distributed for the next successive calendar  
28 quarter that begins January 1. The state treasurer or his or her  
29 designee shall annually provide to the operator of each qualified



1 airport a report of the reconciliation performed under this  
2 subsection. The reconciliation report is subject to the  
3 confidentiality restrictions and penalties provided in section  
4 28(1)(f) of 1941 PA 122, MCL 205.28.

5 (7) As used in this section:

6 (a) "Aviation fuel" means fuel as that term is defined in  
7 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
8 327, MCL 259.4.

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

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

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

