

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. The report required under this subsection shall not**
 22 **include any remittance for tax and does not constitute a return or**
 23 **otherwise alleviate the person's obligations under section 6.**

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



1 **123.1362.** The local community stabilization share is a local tax,
2 not a state tax, and money received and collected for the local
3 community stabilization share is money of the authority and not
4 money of this state.

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

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

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

25 (6) The department shall, on an annual basis, reconcile the
26 amounts distributed under subsection (5) during each fiscal year
27 with the amounts actually collected for a particular fiscal year
28 and shall make any necessary adjustments, positive or negative, to
29 the amounts to be distributed for the next successive calendar



1 quarter that begins January 1. The state treasurer or his or her
2 designee shall annually provide to the operator of each qualified
3 airport a report of the reconciliation performed under this
4 subsection. The reconciliation report is subject to the
5 confidentiality restrictions and penalties provided in section
6 28(1)(f) of 1941 PA 122, MCL 205.28.

7 (7) As used in this section:

8 (a) "Aviation fuel" means fuel as that term is defined in
9 section 4 of the aeronautics code of the state of Michigan, 1945 PA
10 327, MCL 259.4.

11 (b) "Qualified airport" means that term as defined in section
12 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
13 MCL 259.109.

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

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

