

# HOUSE BILL NO. 5188

October 31, 2019, Introduced by Reps. Huizenga, Warren and Kahle and referred to the Committee on Commerce and Tourism.

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



1 rate of 2% approved by the electors **on** March 15, 1994 ~~shall~~**must** be  
2 deposited in the state school aid fund established in section 11 of  
3 article IX of the state constitution of 1963.

4 (3) From the money received and collected under this act for  
5 the state share, an amount equal to all revenue lost under the  
6 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, ~~and~~  
7 all revenue lost from basic school operating mills as a result of  
8 the exemption of personal property under sections 9m, 9n, and 9o of  
9 the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
10 211.9o, **and all revenue lost to the school aid fund as a result of**  
11 **the exemption under section 4cc**, as determined by the department,  
12 ~~shall~~**must** be deposited into the state school aid fund established  
13 by section 11 of article IX of the state constitution of 1963.  
14 Funds deposited into the state school aid fund under this  
15 subsection ~~shall~~**must** not include the portion of the state share of  
16 the use tax imposed at the additional rate of 2% approved by the  
17 electors of this state on March 15, 1994 and dedicated for aid to  
18 schools under subsection (2).

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

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



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

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

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

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



1 28(1)(f) of 1941 PA 122, MCL 205.28.

2 (7) As used in this section:

3 (a) "Aviation fuel" means fuel as that term is defined in  
4 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
5 327, MCL 259.4.

6 (b) "Qualified airport" means that term as defined in section  
7 109 of the aeronautics code of the state of Michigan, 1945 PA 327,  
8 MCL 259.109.

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

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

