HOUSE BILL No. 5689

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February 6, 2008, Introduced by Reps. Donigan, Robert Jones, Constan, Leland and Bauer and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled

"Use tax act,"

by amending section 21 (MCL 205.111), as amended by 1994 PA 34.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

(3) IN EACH FISCAL YEAR, OF THE TOTAL COLLECTIONS OF THE USE TAX IMPOSED AT A RATE OF 4% DIRECTLY OR INDIRECTLY ON THE SALE OF MOTOR VEHICLES, ON THE LEASE OF MOTOR VEHICLES, AND ON THE SALE OF THE PARTS AND ACCESSORIES OF MOTOR VEHICLES BY NEW AND USED CAR BUSINESSES, USED CAR BUSINESSES, ACCESSORY DEALER BUSINESSES, AND GASOLINE STATION BUSINESSES AS CLASSIFIED BY THE DEPARTMENT OF TREASURY, THE FOLLOWING AMOUNTS SHALL BE DEPOSITED IN THE FOLLOWING FUNDS:

(A) NOT LESS THAN 27.9% OF 25% OF THE TOTAL COLLECTIONS SHALL BE DEPOSITED IN THE COMPREHENSIVE TRANSPORTATION FUND.

(B) THE BALANCE TO THE STATE GENERAL FUND.