

SUBSTITUTE FOR
HOUSE BILL NO. 5088

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:

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

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

(3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), ALL OF THE TOURISM-GENERATED INCREASE IN THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT DIRECTLY OR INDIRECTLY FROM THE SALE OF TOURIST-ORIENTED GOODS AND SERVICES SHALL BE DEPOSITED BY THE DEPARTMENT OF TREASURY INTO THE MICHIGAN PROMOTION FUND.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, A PORTION OF THE MICHIGAN PROMOTION FUND SHALL BE USED FOR THE PROMOTION OF ANNUAL MOTOR SPORTS EVENTS AT A MOTOR SPORTS FACILITY THAT HAS OVER 70,000 FIXED SEATS FOR RACE PATRONS AND THAT PARTICIPATES IN TOURISM PROMOTION. AS USED IN THIS SUBSECTION:

(A) "MICHIGAN PROMOTION FUND" MEANS THE FUND CREATED IN SECTION 39 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2039.

(B) "SALE OF TOURIST-ORIENTED GOODS AND SERVICES" MEANS SALES BY TOURISM BUSINESSES.

(C) "TOURISM BUSINESSES" MEANS THOSE BUSINESSES REGISTERED WITH THE DEPARTMENT OF TREASURY UNDER THE FOLLOWING MAJOR INDUSTRY GROUPS UNDER THE STANDARD INDUSTRIAL CLASSIFICATION CODE AS COMPILED BY THE UNITED STATES DEPARTMENT OF LABOR:

(i) 581.

(ii) 582.

(iii) 583.

(iv) 584.

(v) 585.

(vi) 586.

(vii) 587.

(viii) 701.

1 (ix) 702.

2 (x) 703.

3 (xi) 751.

4 (xii) 792.

5 (xiii) 794.

6 (xiv) 842.

7 (D) "TOURISM-GENERATED INCREASE" MEANS AN AMOUNT EQUAL TO THE
8 INCREASE IN THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4%
9 UNDER THIS ACT FROM THE SALE OF TOURISM-ORIENTED GOODS AND SERVICES
10 BY TOURISM BUSINESSES, CALCULATED INDIVIDUALLY FOR EACH MAJOR
11 INDUSTRY GROUP IDENTIFIED UNDER SUBDIVISION (C), IN THE CURRENT
12 FISCAL YEAR OVER THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4%
13 UNDER THIS ACT FROM THE SALE OF TOURISM-ORIENTED GOODS AND SERVICES
14 BY TOURISM BUSINESSES, CALCULATED INDIVIDUALLY FOR EACH MAJOR
15 INDUSTRY GROUP IDENTIFIED UNDER SUBDIVISION (C), IN THE 2009 FISCAL
16 YEAR.

17 (4) BEGINNING JANUARY 1, 2013 AND EVERY 3 YEARS THEREAFTER,
18 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL COMMISSION A
19 RETURN ON INVESTMENT STUDY WITH AN INDEPENDENT PRIVATE ENTITY FOR
20 THE 3 IMMEDIATELY PRECEDING CALENDAR YEARS. THE RETURN ON
21 INVESTMENT STUDY SHALL BE REPORTED TO EACH HOUSE OF THE LEGISLATURE
22 AND TO THE GOVERNOR NOT LATER THAN JULY 1 OF THAT YEAR. IF THE
23 RETURN ON INVESTMENT STUDY IS NOT REPORTED TO EACH HOUSE OF THE
24 LEGISLATURE AND TO THE GOVERNOR ON OR BEFORE JULY 1 OR THE RETURN
25 ON INVESTMENT STUDY SHOWS THAT THE FUNDS DISBURSED UNDER THE
26 MICHIGAN PROMOTION FUND IN THOSE 3 YEARS HAVE A RATIO OF RETURN ON
27 INVESTMENT OF LESS THAN 1 FOR 1, THEN THE DISTRIBUTION UNDER

1 **SUBSECTION (3) SHALL CEASE ON JANUARY 1 OF THE IMMEDIATELY**
2 **SUCCEEDING YEAR.**

3 Enacting section 1. This amendatory act does not take effect
4 unless all of the following bills of the 95th Legislature are
5 enacted into law:

6 (a) House Bill No. 5018.

7 (b) House Bill No. 5089.