

# HOUSE BILL No. 5088

June 11, 2009, Introduced by Rep. Scripps and referred to the Committee on Tourism,  
Outdoor Recreation and Natural Resources.

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. 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.

(ix) 702.

(x) 703.

(xi) 751.

(xii) 792.

1 (xiii) 794.

2 (xiv) 842.

3 (D) "TOURISM-GENERATED INCREASE" MEANS AN AMOUNT EQUAL TO THE  
4 INCREASE IN THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4%  
5 UNDER THIS ACT FROM THE SALE OF TOURISM-ORIENTED GOODS AND SERVICES  
6 BY TOURISM BUSINESSES, CALCULATED INDIVIDUALLY FOR EACH MAJOR  
7 INDUSTRY GROUP IDENTIFIED UNDER SUBDIVISION (C), IN THE CURRENT  
8 FISCAL YEAR OVER 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 2008 FISCAL  
12 YEAR.

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