

SUBSTITUTE FOR  
HOUSE BILL NO. 4539

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending sections 2, 4, 6a, and 25 (MCL 205.52, 205.54, 205.56a,  
and 205.75), sections 2 and 4 as amended by 2004 PA 173, section 6a  
as amended by 2013 PA 1, and section 25 as amended by 2012 PA 226,  
and by adding section 2b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. (1) Except as provided in ~~section 2a,~~ **SECTIONS 2A AND**  
2 **2B**, there is levied upon and there shall be collected from all  
3 persons engaged in the business of making sales at retail, by which  
4 ownership of tangible personal property is transferred for  
5 consideration, an annual tax for the privilege of engaging in that  
6 business equal to 6% of the gross proceeds of the business, plus

1 the penalty and interest if applicable as provided by law, less  
2 deductions allowed by this act.

3 (2) The tax under subsection (1) also applies to the  
4 following:

5 (a) The transmission and distribution of electricity, whether  
6 the electricity is purchased from the delivering utility or from  
7 another provider, if the sale is made to the consumer or user of  
8 the electricity for consumption or use rather than for resale.

9 (b) The sale of a prepaid telephone calling card or a prepaid  
10 authorization number for telephone use, rather than for resale,  
11 including the reauthorization of a prepaid telephone calling card  
12 or a prepaid authorization number.

13 (c) A conditional sale, installment lease sale, or other  
14 transfer of property, if title is retained as security for the  
15 purchase but is intended to be transferred later.

16 (3) Any person engaged in the business of making sales at  
17 retail who is at the same time engaged in some other kind of  
18 business, occupation, or profession not taxable under this act  
19 shall keep books to show separately the transactions used in  
20 determining the tax levied by this act. If the person fails to keep  
21 separate books, there shall be levied upon him or her the tax  
22 provided for in subsection (1) equal to 6% of the entire gross  
23 proceeds of both or all of his or her businesses. The taxes levied  
24 by this section are a personal obligation of the taxpayer.

25 (4) A meal provided free of charge or at a reduced rate to an  
26 employee during work hours by a food service establishment licensed  
27 by the Michigan department of agriculture for the convenience of

1 the employer is not considered transferred for consideration.

2 SEC. 2B. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN  
3 ADDITION TO ANY LIABILITY FOR THE TAX UNDER THIS ACT UNDER SECTION  
4 2 FOR SALES AT RETAIL OF TANGIBLE PERSONAL PROPERTY OTHER THAN  
5 ELIGIBLE FUEL, THERE IS LEVIED UPON AND THERE SHALL BE COLLECTED  
6 FROM ALL PERSONS ENGAGED IN THE SALE AT RETAIL OF ELIGIBLE FUEL AN  
7 ANNUAL TAX EQUAL TO THE GROSS PROCEEDS FROM THE SALE OF ELIGIBLE  
8 FUEL MULTIPLIED BY THE FOLLOWING RATES, PLUS ANY PENALTY AND  
9 INTEREST PROVIDED BY LAW IF APPLICABLE, LESS ANY DEDUCTIONS ALLOWED  
10 UNDER THIS ACT:

11 (A) BEFORE JANUARY 1, 2016, THE SUM OF THE FOLLOWING RATES:

12 (i) 4%.

13 (ii) THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON  
14 MARCH 15, 1994.

15 (B) BEGINNING JANUARY 1, 2016 THROUGH DECEMBER 31, 2016, THE  
16 SUM OF THE FOLLOWING RATES:

17 (i) 3%.

18 (ii) THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON  
19 MARCH 15, 1994.

20 (C) BEGINNING JANUARY 1, 2017 THROUGH DECEMBER 31, 2017, THE  
21 SUM OF THE FOLLOWING RATES:

22 (i) 2%.

23 (ii) THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON  
24 MARCH 15, 1994.

25 (D) BEGINNING JANUARY 1, 2018 THROUGH DECEMBER 31, 2018, THE  
26 SUM OF THE FOLLOWING RATES:

27 (i) 1%.

1           (ii) THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON  
2 MARCH 15, 1994.

3           (E) BEGINNING JANUARY 1, 2019 THROUGH DECEMBER 31, 2019, THE  
4 ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON MARCH 15, 1994  
5 ONLY.

6           (F) BEGINNING JANUARY 1, 2020 THROUGH DECEMBER 31, 2020, 1%.  
7 DURING THIS PERIOD, ELIGIBLE FUEL IS EXEMPT FROM THE ADDITIONAL  
8 RATE OF 2% APPROVED BY THE ELECTORS ON MARCH 15, 1994.

9           (2) IF ANY OF THE FOLLOWING OCCUR, THE SALE AT RETAIL OF  
10 ELIGIBLE FUEL SHALL BE SUBJECT TO THE TAX UNDER THIS ACT AT THE  
11 RATE PROVIDED IN SECTION 2:

12           (A) BEGINNING JANUARY 1, 2016 THROUGH DECEMBER 31, 2020, THE  
13 TOTAL STATE APPROPRIATIONS IN THE SCHOOL AID BUDGET IN ANY YEAR IS  
14 LESS THAN THE TOTAL STATE APPROPRIATIONS IN THE SCHOOL AID BUDGET  
15 IN THE IMMEDIATELY PRECEDING YEAR.

16           (B) BEGINNING JANUARY 1, 2016 THROUGH DECEMBER 31, 2020, THE  
17 SUM OF TOTAL STATE APPROPRIATIONS TO CITIES, VILLAGES, TOWNSHIPS,  
18 AND COUNTIES UNDER ALL OF THE FOLLOWING IS LESS THAN THE SUM OF  
19 TOTAL STATE APPROPRIATIONS TO CITIES, VILLAGES, TOWNSHIPS, AND  
20 COUNTIES IN THE IMMEDIATELY PRECEDING YEAR:

21           (i) CONSTITUTIONAL REVENUE SHARING AS PRESCRIBED IN SECTION 10  
22 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

23           (ii) STATUTORY REVENUE SHARING FOR THE MUNICIPALITY UNDER THE  
24 GLENN STEIL STATE REVENUE SHARING ACT OF 1971, 1971 PA 140, MCL  
25 141.901 TO 141.921, COMBINED WITH ANY PAYMENT UNDER AN ECONOMIC  
26 VITALITY INCENTIVE PROGRAM, OR SUCCESSOR PROGRAM.

27           (iii) 1951 PA 51, MCL 247.651 TO 247.675.

1           (3) SUBJECT TO SUBSECTION (4) AND EXCEPT AS OTHERWISE PROVIDED  
2 IN THIS SUBSECTION, BEGINNING JANUARY 1, 2021, A PERSON SUBJECT TO  
3 THE TAX UNDER THIS ACT MAY EXCLUDE FROM THE GROSS PROCEEDS USED FOR  
4 THE COMPUTATION OF THE TAX THE SALE OF ELIGIBLE FUEL. THIS  
5 SUBSECTION DOES NOT APPLY IF THE SALE AT RETAIL OF ELIGIBLE FUEL IS  
6 SUBJECT TO THE TAX UNDER THIS ACT AT THE RATE PROVIDED IN SECTION 2  
7 AS PROVIDED IN SUBSECTION (2).

8           (4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, IF THE  
9 FINAL ORDER OF A COURT OF COMPETENT JURISDICTION FOR WHICH ALL  
10 RIGHTS OF APPEAL HAVE BEEN EXHAUSTED OR HAVE EXPIRED DETERMINES  
11 THAT ANY PART OF THIS SECTION IS UNCONSTITUTIONAL OR UNENFORCEABLE,  
12 BEGINNING ON THE EFFECTIVE DATE OF THAT FINAL ORDER A PERSON  
13 SUBJECT TO THE TAX UNDER THIS ACT MAY EXCLUDE FROM THE GROSS  
14 PROCEEDS USED FOR THE COMPUTATION OF THE TAX THE SALE OF ELIGIBLE  
15 FUEL. THIS SUBSECTION DOES NOT APPLY IF THE SALE AT RETAIL OF  
16 ELIGIBLE FUEL IS SUBJECT TO THE TAX UNDER THIS ACT AT THE RATE  
17 PROVIDED IN SECTION 2 AS PROVIDED IN SUBSECTION (2).

18           (5) AS USED IN THIS SECTION, "ELIGIBLE FUEL" MEANS ANY FUEL  
19 SUBJECT TO THE TAX LEVIED UNDER THE MOTOR FUEL TAX ACT, 2000 PA  
20 403, MCL 207.1001 TO 207.1170.

21           Sec. 4. (1) In computing the amount of tax levied under this  
22 act for any month, a taxpayer not subject to section 6(2) may  
23 deduct the amount provided by subdivision (a) or (b), whichever is  
24 greater:

25           (a) If the tax that accrued to this state from the sales at  
26 retail during the preceding month is remitted to the department on  
27 or before the twelfth day of the month in which remittance is due,

1 0.75% of the tax due at a rate of **NOT MORE THAN** 4% for the  
2 preceding monthly period, but not to exceed \$20,000.00 of the tax  
3 due for that month. If the tax that accrued to this state from the  
4 sales at retail during the preceding month is remitted to the  
5 department after the twelfth day and on or before the twentieth day  
6 of the month in which remittance is due, 0.50% of the tax due at a  
7 rate of **NOT MORE THAN** 4% for the preceding monthly period, but not  
8 to exceed \$15,000.00 of the tax due for that month.

9 (b) The tax at a rate of **NOT MORE THAN** 4% due on \$150.00 of  
10 taxable gross proceeds for the preceding monthly period, or a  
11 prorated portion of \$150.00 of the taxable gross proceeds for the  
12 preceding month if the taxpayer engaged in business for less than a  
13 month.

14 (2) Beginning January 1, 1999, in computing the amount of tax  
15 levied under this act for any month, a taxpayer who is subject to  
16 section 6(2) may deduct from the amount of the tax paid 0.50% of  
17 the tax due at a rate of **NOT MORE THAN** 4%.

18 (3) A deduction is not allowed under this section for payments  
19 of taxes made to the department after the day the taxpayer is  
20 required to pay, pursuant to section 6, the tax imposed by this  
21 act.

22 (4) If, pursuant to section 6(4), the department prescribes  
23 the filing of returns and the payment of the tax for periods in  
24 excess of 1 month, a taxpayer is entitled to a deduction from the  
25 tax collections remitted to the department for the extended payment  
26 period that is equivalent to the deduction allowed under subsection  
27 (1) or (2) for monthly periods.

1 (5) The department may prescribe the filing of estimated  
2 returns and annual periodic reconciliations as necessary to carry  
3 out the purposes of this section.

4 (6) A seller registered under the streamlined sales and use  
5 tax agreement may claim a deduction under this section if provided  
6 for in the streamlined sales and use tax administration act.

7 Sec. 6a. (1) Through March 31, 2013, at the time of purchase  
8 or shipment from a refiner, pipeline terminal operator, or marine  
9 terminal operator, a purchaser or receiver of gasoline shall prepay  
10 a portion of the tax imposed by this act at the rate provided in  
11 this section to the refiner, pipeline terminal operator, or marine  
12 terminal operator for the purchase or receipt of gasoline. If the  
13 purchase or receipt of gasoline is made outside this state for  
14 shipment into and subsequent sale within this state, the purchaser  
15 or receiver, other than a refiner, pipeline terminal operator, or  
16 marine terminal operator, shall make the prepayment required by  
17 this section directly to the department. ~~Prepayments~~**BEFORE THE**  
18 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 2B,**  
19 **PREPAYMENTS** for gasoline shall be made at a cents-per-gallon rate  
20 determined by the department and shall be based on 6% of the  
21 statewide average retail price of a gallon of self-serve unleaded  
22 regular gasoline as determined and certified by the department  
23 rounded up to the nearest 1/10 of 1 cent. **BEGINNING ON THE**  
24 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 2B,**  
25 **PREPAYMENTS FOR GASOLINE SHALL BE MADE AT A CENTS-PER-GALLON RATE**  
26 **DETERMINED BY THE DEPARTMENT AND SHALL BE BASED ON THE STATEWIDE**  
27 **AVERAGE RETAIL PRICE OF A GALLON OF SELF-SERVE UNLEADED REGULAR**

1 **GASOLINE AS DETERMINED AND CERTIFIED BY THE DEPARTMENT MULTIPLIED**  
2 **BY THE APPLICABLE RATE AND ROUNDED UP TO THE NEAREST 1/10 OF 1**  
3 **CENT.** A person that makes prepayments directly to the department  
4 shall make those prepayments according to the schedule in  
5 subsection (6).

6 (2) Beginning April 1, 2013, at the time of purchase or  
7 shipment from a refiner, pipeline terminal operator, or marine  
8 terminal operator, a purchaser or receiver of fuel shall prepay a  
9 portion of the tax imposed by this act at the rates provided in  
10 this section to the refiner, pipeline terminal operator, or marine  
11 terminal operator for the purchase or receipt of fuel. If the  
12 purchase or receipt of fuel is made outside this state for shipment  
13 into and subsequent sale within this state, the purchaser or  
14 receiver, other than a refiner, pipeline terminal operator, or  
15 marine terminal operator, shall make the prepayment required by  
16 this section directly to the department. ~~Prepayments—BEFORE THE~~  
17 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 2B,**  
18 **PREPAYMENTS** for gasoline shall be made at a cents-per-gallon rate  
19 determined by the department and shall be based on 6% of the  
20 statewide average retail price of a gallon of self-serve unleaded  
21 regular gasoline as determined and certified by the department  
22 rounded up to the nearest 1/10 of 1 cent. ~~Prepayments—BEGINNING ON~~  
23 **THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 2B,**  
24 **PREPAYMENTS FOR GASOLINE SHALL BE MADE AT A CENTS-PER-GALLON RATE**  
25 **DETERMINED BY THE DEPARTMENT AND SHALL BE BASED ON THE STATEWIDE**  
26 **AVERAGE RETAIL PRICE OF A GALLON OF SELF-SERVE UNLEADED REGULAR**  
27 **GASOLINE AS DETERMINED AND CERTIFIED BY THE DEPARTMENT MULTIPLIED**



1 BY THE APPLICABLE RATE AND ROUNDED UP TO THE NEAREST 1/10 OF 1  
2 CENT. BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
3 SECTION 2B, PREPAYMENTS for diesel fuel shall be made at a cents-  
4 per-gallon rate determined by the department and shall be based on  
5 6% of the statewide average retail price of a gallon of undyed No.  
6 2 ultra-low sulfur diesel fuel as determined and certified by the  
7 department rounded up to the nearest 1/10 of 1 cent. BEGINNING ON  
8 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 2B,  
9 PREPAYMENTS FOR DIESEL FUEL SHALL BE MADE AT A CENTS-PER-GALLON  
10 RATE DETERMINED BY THE DEPARTMENT AND SHALL BE BASED ON THE  
11 STATEWIDE AVERAGE RETAIL PRICE OF A GALLON OF UNDYED NO. 2 ULTRA-  
12 LOW SULFUR DIESEL FUEL AS DETERMINED AND CERTIFIED BY THE  
13 DEPARTMENT MULTIPLIED BY THE APPLICABLE RATE AND ROUNDED UP TO THE  
14 NEAREST 1/10 OF 1 CENT. A person that makes prepayments directly to  
15 the department shall make those prepayments according to the  
16 schedule in subsection (6).

17 (3) Through March 31, 2013, the rate of prepayment applied  
18 pursuant to subsection (1) shall be determined every 3 months by  
19 the department unless the department certifies that the change in  
20 the statewide average retail price of a gallon of self-serve  
21 unleaded regular gasoline has been less than 10% since the  
22 establishment of the rate of prepayment then in effect.

23 (4) Beginning April 1, 2013, the rates of prepayment applied  
24 pursuant to subsection (2) shall be determined every month by the  
25 department. Notwithstanding subsection (3), the department shall  
26 publish notice of the rates of prepayment applicable to gasoline  
27 and diesel fuel pursuant to subsection (2) not later than the tenth

1 day of the month immediately preceding the month in which the rate  
2 is effective.

3 (5) A person subject to tax under this act that makes  
4 prepayment to another person as required by this section for  
5 gasoline may claim an estimated prepayment credit on its regular  
6 monthly return filed pursuant to section 6. The credit shall be for  
7 prepayments made during the month for which the return is required  
8 and shall be based upon the difference between prepayments made in  
9 the immediately preceding month and collections of prepaid tax  
10 received from sales or transfers during the month for which the  
11 return required under section 6 is made. A sale or transfer for  
12 which collection of prepaid tax is due the taxpayer is subject to a  
13 bad debt deduction under section 4i, whether or not the sale or  
14 transfer is a sale at retail. The credit shall not be reduced  
15 because of actual shrinkage. A taxpayer that does not, in the  
16 ordinary course of business, sell gasoline in each month of the  
17 year may, with the approval of the department, base the initial  
18 prepayment deduction in each tax year on prepayments made in a  
19 month other than the immediately preceding month. The difference in  
20 actual prepayments shall be reconciled on the annual return in  
21 accordance with procedures prescribed by the department.

22 (6) Notwithstanding the other provisions for the payment and  
23 remitting of tax due under this act, a refiner, pipeline terminal  
24 operator, or marine terminal operator shall account for and remit  
25 to the department the prepayments received pursuant to this section  
26 in accordance with the following schedule:

27 (a) On or before the twenty-fifth of each month, prepayments

1 received after the end of the preceding month and before the  
2 sixteenth of the month in which the prepayments are made.

3 (b) On or before the tenth of each month, payments received  
4 after the fifteenth and before the end of the preceding month.

5 (7) A refiner, pipeline terminal operator, or marine terminal  
6 operator that fails to remit prepayments made by a purchaser or  
7 receiver of fuel is subject to the penalties provided by 1941 PA  
8 122, MCL 205.1 to 205.31.

9 (8) The refiner, pipeline terminal operator, or marine  
10 terminal operator shall not receive a deduction under section 4 for  
11 receiving and remitting prepayments from a purchaser or receiver  
12 pursuant to this section.

13 (9) The purchaser or receiver of fuel that makes prepayments  
14 is not subject to further liability for the amount of the  
15 prepayment if the refiner, pipeline terminal operator, or marine  
16 terminal operator fails to remit the prepayment.

17 (10) A person subject to tax under this act that makes  
18 prepayment to another person as required by this section for diesel  
19 fuel may claim an estimated prepayment credit on its regular  
20 monthly return filed pursuant to section 6. The credit shall be for  
21 prepayments made during the month for which the return is required  
22 and shall be based upon the difference between the prepayments made  
23 in the immediately preceding month and collections of prepaid tax  
24 received from sales or transfers during the month for which the  
25 return required under section 6 is made. A sale or transfer for  
26 which collection of prepaid tax is due the taxpayer is subject to a  
27 bad debt deduction under section 4i, whether or not the sale or

1 transfer is a sale at retail. The credit shall not be reduced  
2 because of actual shrinkage. A taxpayer that does not, in the  
3 ordinary course of business, sell diesel fuel in each month of the  
4 year may, with the approval of the department, base the initial  
5 prepayment deduction in each tax year on prepayments made in a  
6 month other than the immediately preceding month. Estimated  
7 prepayment credits claimed with the return due in April 2013 shall  
8 be based on the taxpayer's retail sales of diesel fuel in March  
9 2013. The difference in actual prepayments shall be reconciled on  
10 the annual return in accordance with procedures prescribed by the  
11 department. Repayment of the credit claimed on the return due in  
12 April 2013 shall be made by the earlier of the date that the  
13 taxpayer stops selling diesel fuel or October 15, 2013.

14 (11) As used in this section:

15 (a) "Blendstock" includes all of the following:

16 (i) Any petroleum product component of fuel, such as naphtha,  
17 reformate, or toluene.

18 (ii) Any oxygenate that can be blended for use in a motor fuel.

19 (b) "Boat terminal transfer" means a dock, a tank, or  
20 equipment contiguous to a dock or a tank, including equipment used  
21 in the unloading of fuel from a ship and in transferring the fuel  
22 to a tank pending wholesale bulk reshipment.

23 (c) "Diesel fuel" means any liquid other than gasoline that is  
24 capable of use as a fuel or a component of a fuel in a motor  
25 vehicle that is propelled by a diesel-powered engine or in a  
26 diesel-powered train. Diesel fuel includes number 1 and number 2  
27 fuel oils and mineral spirits. Diesel fuel also includes any

1 blendstock or additive that is sold for blending with diesel fuel  
2 and any liquid prepared, advertised, offered for sale, sold for use  
3 as, or used in the generation of power for the propulsion of a  
4 diesel-powered engine, airplane, or marine vessel. An additive or  
5 blendstock is presumed to be sold for blending unless a  
6 certification is obtained for federal purposes that the substance  
7 is for a use other than blending for diesel fuel. Diesel fuel does  
8 not include dyed diesel fuel, kerosene, or an excluded liquid.

9 (d) "Dyed diesel fuel" means diesel fuel that is dyed in  
10 accordance with internal revenue service rules or pursuant to any  
11 other internal revenue service requirements, including any  
12 invisible marker requirements.

13 (e) "Excluded liquid" means that term as defined in 26 CFR  
14 48.4081-1.

15 (f) "Fuel" means gasoline and diesel fuel that is subject to  
16 tax under this act, collectively, except when gasoline or diesel  
17 fuel is referred to separately.

18 (g) "Gasoline" means and includes gasoline, alcohol, gasohol,  
19 casing head or natural gasoline, benzol, benzine, naphtha,  
20 methanol, any blendstock additive, or other product that is sold  
21 for blending with gasoline or for use on the road, other than  
22 products typically sold in containers of less than 5 gallons.  
23 Gasoline also includes a liquid prepared, advertised, offered for  
24 sale, sold for use as, or used in the generation of power for the  
25 propulsion of a motor vehicle, airplane, or marine vessel,  
26 including a product obtained by blending together any 1 or more  
27 products of petroleum, with or without another product, and

1 regardless of the original character of the petroleum products  
2 blended, if the product obtained by the blending is capable of use  
3 in the generation of power for the propulsion of a motor vehicle,  
4 airplane, or marine vessel. The blending of all of the above-named  
5 products, regardless of their name or characteristics, shall  
6 conclusively be presumed to have been done to produce fuel, unless  
7 the product obtained by the blending is entirely incapable of use  
8 as fuel. An additive or blendstock is presumed to be sold for  
9 blending unless a certification is obtained for federal purposes  
10 that the substance is for a use other than blending for gasoline.  
11 Gasoline does not include diesel fuel, dyed diesel fuel, kerosene,  
12 or an excluded liquid.

13 (h) "Kerosene" means all grades of kerosene, including, but  
14 not limited to, the 2 grades of kerosene, No. 1-K and No. 2-K,  
15 commonly known as K-1 kerosene and K-2 kerosene, respectively,  
16 described in American society for testing and materials  
17 specification D-3699, in effect on January 1, 1999, and kerosene-  
18 type jet fuel described in American society for testing and  
19 materials specification D-1655 and military specifications MIL-T-  
20 5624r and MIL-T-83133d (grades jp-5 and jp-8), and any successor  
21 internal revenue service rules or regulations, as the specification  
22 for kerosene and kerosene-type jet fuel. Kerosene does not include  
23 an excluded liquid.

24 (i) "Marine terminal operator" means a person that stores fuel  
25 at a boat terminal transfer.

26 (j) "Pipeline terminal operator" means a person that stores  
27 fuel in tanks and equipment used in receiving and storing fuel from

1 interstate and intrastate pipelines pending wholesale bulk  
2 reshipment.

3 (k) "Purchase" or "shipment" does not include an exchange of  
4 fuel or an exchange transaction between refiners, pipeline terminal  
5 operators, or marine terminal operators.

6 (l) "Refiner" means a person that manufactures or produces fuel  
7 by any process involving substantially more than the blending of  
8 fuel.

9 Sec. 25. (1) All money received and collected under this act  
10 shall be deposited by the department in the state treasury to the  
11 credit of the general fund, except as otherwise provided in this  
12 section.

13 (2) Fifteen percent of the collections of the tax imposed at a  
14 rate of **NOT MORE THAN** 4% shall be distributed to cities, villages,  
15 and townships pursuant to the Glenn Steil state revenue sharing act  
16 of 1971, 1971 PA 140, MCL 141.901 to 141.921.

17 (3) Sixty percent of the collections of the tax imposed at a  
18 rate of **NOT MORE THAN** 4% shall be deposited in the state school aid  
19 fund established in section 11 of article IX of the state  
20 constitution of 1963 and distributed as provided by law. In  
21 addition, all of the collections of the tax imposed at the  
22 additional rate of 2% approved by the electors March 15, 1994 shall  
23 be deposited in the state school aid fund.

24 (4) Not less than 27.9% of 25% of the collections of the  
25 general sales tax imposed at a rate of **NOT MORE THAN** 4% directly or  
26 indirectly on fuels sold to propel motor vehicles upon highways, on  
27 the sale of motor vehicles, and on the sale of the parts and

1 accessories of motor vehicles by new and used car businesses, used  
2 car businesses, accessory dealer businesses, and gasoline station  
3 businesses as classified by the department of treasury shall be  
4 deposited each year into the comprehensive transportation fund  
5 created in section 10b of 1951 PA 51, MCL 247.660b.

6 (5) For the fiscal year ending September 30, 2013 only, an  
7 amount equal to 18% of the collections of the tax imposed at a rate  
8 of **NOT MORE THAN** 4% under this act from the sale of motor fuel, as  
9 that term is defined in section 4 of the motor fuel tax act, 2000  
10 PA 403, MCL 207.1004, shall be distributed as follows:

11 (a) An amount sufficient to match available federal highway  
12 funds shall be deposited into the state trunk line fund created in  
13 section 11 of 1951 PA 51, MCL 247.661, for the purpose of matching  
14 federal aid highway funds as those federal funds are made available  
15 to this state, but not less than 39.1% subject to subdivision (c).

16 (b) After the distribution under subdivision (a), any  
17 remaining balance, subject to subdivision (c), shall be distributed  
18 as follows:

19 (i) 66% to the county road commissions of this state, which  
20 distribution shall be administered under section 12 of 1951 PA 51,  
21 MCL 247.662.

22 (ii) 34% to the cities and villages of this state, which  
23 distribution shall be administered under section 13 of 1951 PA 51,  
24 MCL 247.663.

25 (c) Funds distributed under this subsection shall not exceed  
26 \$100,000,000.00.

27 (6) For the fiscal year ending September 30, 2013 only and



1 except as otherwise limited in this subsection after the  
2 allocations and distributions are made pursuant to subsections (2)  
3 and (3), an amount equal to the collections of the tax imposed at a  
4 rate of **NOT MORE THAN** 4% under this act from the sale at retail of  
5 aviation fuel and aviation products shall be deposited in the state  
6 aeronautics fund and shall be expended, on appropriation, only for  
7 those purposes authorized in the aeronautics code of the state of  
8 Michigan, 1945 PA 327, MCL 259.1 to 259.208. Not more than  
9 \$10,000,000.00 shall be deposited in the state aeronautics fund  
10 under this subsection. As used in this subsection, "state  
11 aeronautics fund" means the state aeronautics fund created in  
12 section 34 of the aeronautics code of the state of Michigan, 1945  
13 PA 327, MCL 259.34.

14 (7) An amount equal to the collections of the tax imposed at a  
15 rate of **NOT MORE THAN** 4% under this act from the sale at retail of  
16 computer software as defined in section 1a shall be deposited in  
17 the Michigan health initiative fund created in section 5911 of the  
18 public health code, 1978 PA 368, MCL 333.5911, and shall be  
19 considered in addition to, and is not intended as a replacement for  
20 any other money appropriated to the department of community health.  
21 The funds deposited in the Michigan health initiative fund on an  
22 annual basis shall not be less than \$9,000,000.00 or more than  
23 \$12,000,000.00.

24 (8) The balance in the state general fund shall be disbursed  
25 only on an appropriation or appropriations by the legislature.

26 Enacting section 1. This amendatory act does not take effect  
27 unless House Bill No. 5477 of the 97th Legislature is enacted into

1 law.