

HOUSE BILL No. 4318

March 10, 2015, Introduced by Reps. Courser and Gamrat and referred to the Committee on Government Operations.

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 2c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) Except as provided in ~~section 2a,~~ **SECTIONS 2A AND**
 2 **2C**, 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
 7 the penalty and interest if applicable as provided by law, less
 8 deductions allowed by this act.

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

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

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

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

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

23 (4) A meal provided free of charge or at a reduced rate to an
24 employee during work hours by a food service establishment licensed
25 by the Michigan department of agriculture for the convenience of
26 the employer is not considered transferred for consideration.

27 **SEC. 2C. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IN**

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

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

10 (i) 4%.

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

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

15 (i) 3%.

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

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

20 (i) 2%.

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

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

25 (i) 1%.

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

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

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

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

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

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

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

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

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

26 (3) SUBJECT TO SUBSECTION (4) AND EXCEPT AS OTHERWISE PROVIDED
27 IN THIS SUBSECTION, BEGINNING JANUARY 1, 2021, A PERSON SUBJECT TO

1 THE TAX UNDER THIS ACT MAY EXCLUDE FROM THE GROSS PROCEEDS USED FOR
2 THE COMPUTATION OF THE TAX THE SALE OF ELIGIBLE FUEL. THIS
3 SUBSECTION DOES NOT APPLY IF THE SALE AT RETAIL OF ELIGIBLE FUEL IS
4 SUBJECT TO THE TAX UNDER THIS ACT AT THE RATE PROVIDED IN SECTION 2
5 AS PROVIDED IN SUBSECTION (2).

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

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

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

23 (a) If the tax that accrued to this state from the sales at
24 retail during the preceding month is remitted to the department on
25 or before the twelfth day of the month in which remittance is due,
26 0.75% of the tax due at a rate of **NOT MORE THAN** 4% for the
27 preceding monthly period, but not to exceed \$20,000.00 of the tax

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

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

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

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

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

26 (5) The department may prescribe the filing of estimated
27 returns and annual periodic reconciliations as necessary to carry

1 out the purposes of this section.

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

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

1 **CENT.** A person that makes prepayments directly to the department
2 shall make those prepayments according to the schedule in
3 subsection (6).

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

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

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

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

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

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

25 (a) On or before the twenty-fifth of each month, prepayments
26 received after the end of the preceding month and before the
27 sixteenth of the month in which the prepayments are made.

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

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

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

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

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

1 ordinary course of business, sell diesel fuel in each month of the
2 year may, with the approval of the department, base the initial
3 prepayment deduction in each tax year on prepayments made in a
4 month other than the immediately preceding month. Estimated
5 prepayment credits claimed with the return due in April 2013 shall
6 be based on the taxpayer's retail sales of diesel fuel in March
7 2013. The difference in actual prepayments shall be reconciled on
8 the annual return in accordance with procedures prescribed by the
9 department. Repayment of the credit claimed on the return due in
10 April 2013 shall be made by the earlier of the date that the
11 taxpayer stops selling diesel fuel or October 15, 2013.

12 (11) As used in this section:

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

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

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

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

21 (c) "Diesel fuel" means any liquid other than gasoline that is
22 capable of use as a fuel or a component of a fuel in a motor
23 vehicle that is propelled by a diesel-powered engine or in a
24 diesel-powered train. Diesel fuel includes number 1 and number 2
25 fuel oils and mineral spirits. Diesel fuel also includes any
26 blendstock or additive that is sold for blending with diesel fuel
27 and any liquid prepared, advertised, offered for sale, sold for use

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

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

11 (e) "Excluded liquid" means that term as defined in 26 CFR
12 48.4081-1.

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

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

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

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

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

24 (j) "Pipeline terminal operator" means a person that stores
25 fuel in tanks and equipment used in receiving and storing fuel from
26 interstate and intrastate pipelines pending wholesale bulk
27 reshipment.

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

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

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

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

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

22 (4) Not less than 27.9% of 25% of the collections of the
23 general sales tax imposed at a rate of **NOT MORE THAN** 4% directly or
24 indirectly on fuels sold to propel motor vehicles upon highways, on
25 the sale of motor vehicles, and on the sale of the parts and
26 accessories of motor vehicles by new and used car businesses, used
27 car businesses, accessory dealer businesses, and gasoline station

1 businesses as classified by the department of treasury shall be
2 deposited each year into the comprehensive transportation fund
3 created in section 10b of 1951 PA 51, MCL 247.660b.

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

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

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

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

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

23 (c) Funds distributed under this subsection shall not exceed
24 \$100,000,000.00.

25 (6) For the fiscal year ending September 30, 2013 only and
26 except as otherwise limited in this subsection after the
27 allocations and distributions are made pursuant to subsections (2)

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

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

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

24 Enacting section 1. This amendatory act takes effect 90 days
25 after the date it is enacted into law.