

**SUBSTITUTE FOR
HOUSE BILL NO. 5315**

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2015 PA 262.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 ~~shall~~**MUST** be deposited by the department in the state treasury to
3 the credit of the general fund, except as otherwise provided in
4 this section.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% ~~shall~~**MUST** be distributed to cities, villages, and
7 townships pursuant to the Glenn Steil state revenue sharing act of
8 1971, 1971 PA 140, MCL 141.901 to 141.921.

9 (3) Sixty percent of the collections of the tax imposed at a

1 rate of 4% ~~shall~~**MUST** be deposited in the state school aid fund
2 established in section 11 of article IX of the state constitution
3 of 1963 and distributed as provided by law. In addition, all of the
4 collections of the tax imposed at the additional rate of 2%
5 approved by the electors **ON** March 15, 1994 ~~shall~~**MUST** be deposited
6 in the state school aid fund.

7 (4) Not less than 27.9% of 25% of the collections of the
8 general sales tax imposed at a rate of 4% directly or indirectly on
9 fuels sold to propel motor vehicles upon highways, on the sale of
10 motor vehicles, and on the sale of the parts and accessories of
11 motor vehicles by new and used car businesses, used car businesses,
12 accessory dealer businesses, and gasoline station businesses as
13 classified by the department ~~shall~~**MUST** be deposited each year into
14 the comprehensive transportation fund created in section 10b of
15 1951 PA 51, MCL 247.660b.

16 (5) **BEGINNING WITH THE 2018-2019 STATE FISCAL YEAR AND EACH**
17 **STATE FISCAL YEAR THEREAFTER, FROM THE MONEY RECEIVED AND COLLECTED**
18 **FROM THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT, \$10,000,000.00**
19 **SHALL BE DEPOSITED INTO THE FIRE PROTECTION FUND CREATED IN SECTION**
20 **732A(8) OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.732A.**

21 (6) **BEGINNING OCTOBER 15, 2018 AND ON THE FIFTEENTH DAY OF**
22 **EVERY OTHER MONTH THEREAFTER, FROM THE MONEY RECEIVED AND COLLECTED**
23 **FROM THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT THE DEPARTMENT**
24 **SHALL DEPOSIT THE FOLLOWING AMOUNTS AS FOLLOWS:**

25 (A) **\$41,473,334.00 INTO THE CVT REVENUE SHARING TRUST FUND**
26 **CREATED UNDER SECTION 14(1) OF THE MICHIGAN TRUST FUND ACT, 2000 PA**
27 **489, MCL 12.264.**

1 (B) \$36,681,200.00 INTO THE COUNTY REVENUE SHARING TRUST FUND
2 CREATED UNDER SECTION 14(2) OF THE MICHIGAN TRUST FUND ACT, 2000 PA
3 489, MCL 12.264.

4 (7) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (8),
5 BEGINNING WITH THE 2018-2019 STATE FISCAL YEAR AND EACH STATE
6 FISCAL YEAR THEREAFTER, FROM THE MONEY RECEIVED AND COLLECTED FROM
7 THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT AN ANNUAL AMOUNT OF
8 \$5,000,000.00 MUST BE DEPOSITED IN 6 EQUAL PAYMENTS BEGINNING
9 OCTOBER 15 AND ON THE FIFTEENTH DAY OF EVERY OTHER MONTH
10 THEREAFTER, AS FOLLOWS:

11 (A) 50% INTO THE CVT REVENUE SHARING TRUST FUND CREATED UNDER
12 SECTION 14(1) OF THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL
13 12.264.

14 (B) 50% INTO THE COUNTY REVENUE SHARING TRUST FUND CREATED
15 UNDER SECTION 14(2) OF THE MICHIGAN TRUST FUND ACT, 2000 PA 489,
16 MCL 12.264.

17 (8) SUBJECT TO THE LIMITATION UNDER THIS SUBSECTION, BEGINNING
18 WITH THE 2019-2020 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR
19 THEREAFTER, THE ANNUAL AMOUNT DEPOSITED UNDER SUBSECTION (7) MUST
20 BE ADJUSTED TO EQUAL THE SUM OF THE ANNUAL AMOUNT DEPOSITED UNDER
21 SUBSECTION (7) IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR PLUS
22 \$5,000,000.00. THE ANNUAL AMOUNT DEPOSITED UNDER SUBSECTION (7)
23 SHALL NOT EXCEED \$100,000,000.00 IN ANY STATE FISCAL YEAR.

24 (9) ~~(5)~~—Beginning October 1, 2016 and the first day of each
25 calendar quarter thereafter, an amount equal to the collections for
26 the calendar quarter that is 2 calendar quarters immediately
27 preceding the current calendar quarter of the tax imposed under

1 this act at the additional rate of 2% approved by the electors on
2 March 15, 1994 from the sale at retail of aviation fuel shall be
3 distributed as follows:

4 (a) An amount equal to 35% of the collections of the tax
5 imposed at a rate of 2% on the sale at retail of aviation fuel
6 shall be deposited in the state aeronautics fund and ~~shall~~**MUST** be
7 expended, on appropriation, only for those purposes authorized in
8 the aeronautics code of the state of Michigan, 1945 PA 327, MCL
9 259.1 to 259.208.

10 (b) An amount equal to 65% of the collections of the tax
11 imposed at a rate of 2% on the sale at retail of aviation fuel
12 ~~shall~~**MUST** be deposited in the qualified airport fund and ~~shall~~
13 **MUST** be expended, on appropriation, only for those purposes
14 authorized under section 35 of the aeronautics code of the state of
15 Michigan, 1945 PA 327, MCL 259.35.

16 **(10)** ~~(6)~~—The department shall, on an annual basis, reconcile
17 the amounts distributed under subsection ~~(5)~~**(9)** during each fiscal
18 year with the amounts actually collected for a particular fiscal
19 year and shall make any necessary adjustments, positive or
20 negative, to the amounts to be distributed for the next successive
21 calendar quarter that begins January 1. The state treasurer or his
22 or her designee shall annually provide to the operator of each
23 qualified airport a report of the reconciliation performed under
24 this subsection. The reconciliation report is subject to the
25 confidentiality restrictions and penalties provided in section
26 28(1)(f) of 1941 PA 122, MCL 205.28.

27 **(11)** ~~(7)~~—An amount equal to the collections of the tax imposed

1 at a rate of 4% under this act from the sale at retail of computer
2 software as defined in section 1a ~~shall~~**MUST** be deposited in the
3 Michigan health initiative fund created in section 5911 of the
4 public health code, 1978 PA 368, MCL 333.5911, and ~~shall~~**MUST** be
5 considered in addition to, and is not intended as a replacement for
6 any other money appropriated to the department of ~~community~~ health
7 **AND HUMAN SERVICES** or its successor. The funds deposited in the
8 Michigan health initiative fund on an annual basis ~~shall~~**MUST** not
9 be less than \$9,000,000.00 or more than \$12,000,000.00.

10 (12) ~~(8)~~—The balance in the state general fund shall be
11 disbursed only on an appropriation or appropriations by the
12 legislature.

13 (13) ~~(9)~~—As used in this section:

14 (a) "Aviation fuel" means fuel as that term is defined in
15 section 4 of the aeronautics code of the state of Michigan, 1945 PA
16 327, MCL 259.4.

17 (b) "Qualified airport" means that term as defined in section
18 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
19 MCL 259.109.

20 (c) "Qualified airport fund" means the qualified airport fund
21 created in section 34(2) of the aeronautics code of the state of
22 Michigan, 1945 PA 327, MCL 259.34.

23 (d) "State aeronautics fund" means the state aeronautics fund
24 created in section 34(1) of the aeronautics code of the state of
25 Michigan, 1945 PA 327, MCL 259.34.

26 Enacting section 1. This amendatory act does not take effect
27 unless House Bill No. 5314 of the 99th Legislature is enacted into

1 law.