

# HOUSE BILL No. 5315

November 30, 2017, Introduced by Reps. Hauck, VerHeulen, Lower, Albert, Howell, Frederick, Inman and Leutheuser and referred to the Committee on Michigan Competitiveness.

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.

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

8 (4) Not less than 27.9% of 25% of the collections of the  
9 general sales tax imposed at a rate of 4% directly or indirectly on  
10 fuels sold to propel motor vehicles upon highways, on the sale of  
11 motor vehicles, and on the sale of the parts and accessories of  
12 motor vehicles by new and used car businesses, used car businesses,  
13 accessory dealer businesses, and gasoline station businesses as  
14 classified by the department ~~shall~~ **MUST** be deposited each year into  
15 the comprehensive transportation fund created in section 10b of  
16 1951 PA 51, MCL 247.660b.

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

22 **(6) BEGINNING OCTOBER 15, 2018 AND ON THE FIFTEENTH DAY OF**  
23 **EVERY OTHER MONTH THEREAFTER, THE DEPARTMENT SHALL DEPOSIT**  
24 **\$79,187,866.00 OF THE MONEY RECEIVED AND COLLECTED FROM THE TAX**  
25 **IMPOSED AT A RATE OF 4% UNDER THIS ACT INTO THE REVENUE SHARING**  
26 **TRUST FUND CREATED UNDER SECTION 14 OF THE MICHIGAN TRUST FUND ACT,**  
27 **2000 PA 489, MCL 12.264.**

1           (7) FOR THE 2019 FISCAL YEAR, IN ADDITION TO THE AMOUNT  
2 DEPOSITED UNDER SUBSECTION (6), THE DEPARTMENT SHALL DEPOSIT AN  
3 ADDITIONAL \$5,000,000.00 OF THE MONEY RECEIVED AND COLLECTED FROM  
4 THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT INTO THE REVENUE  
5 SHARING TRUST FUND CREATED UNDER SECTION 14 OF THE MICHIGAN TRUST  
6 FUND ACT, 2000 PA 489, MCL 12.264. SUBJECT TO THE LIMITATION UNDER  
7 THIS SUBSECTION, FOR THE 2020 FISCAL YEAR AND EACH FISCAL YEAR  
8 AFTER 2020, AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT DISTRIBUTED  
9 UNDER THIS SUBSECTION IN THE IMMEDIATELY PRECEDING FISCAL YEAR PLUS  
10 \$5,000,000.00 SHALL BE DEPOSITED INTO THE REVENUE SHARING TRUST  
11 FUND CREATED UNDER SECTION 14 OF THE MICHIGAN TRUST FUND ACT, 2000  
12 PA 489, MCL 12.264. THE AMOUNT DEPOSITED UNDER THIS SUBSECTION  
13 SHALL NOT EXCEED \$100,000,000.00 IN ANY FISCAL YEAR.

14           (8) ~~(5)~~—Beginning October 1, 2016 and the first day of each  
15 calendar quarter thereafter, an amount equal to the collections for  
16 the calendar quarter that is 2 calendar quarters immediately  
17 preceding the current calendar quarter of the tax imposed under  
18 this act at the additional rate of 2% approved by the electors on  
19 March 15, 1994 from the sale at retail of aviation fuel shall be  
20 distributed as follows:

21           (a) An amount equal to 35% of the collections of the tax  
22 imposed at a rate of 2% on the sale at retail of aviation fuel  
23 shall be deposited in the state aeronautics fund and ~~shall~~**MUST** be  
24 expended, on appropriation, only for those purposes authorized in  
25 the aeronautics code of the state of Michigan, 1945 PA 327, MCL  
26 259.1 to 259.208.

27           (b) An amount equal to 65% of the collections of the tax

1 imposed at a rate of 2% on the sale at retail of aviation fuel  
2 ~~shall~~**MUST** be deposited in the qualified airport fund and ~~shall~~  
3 **MUST** be expended, on appropriation, only for those purposes  
4 authorized under section 35 of the aeronautics code of the state of  
5 Michigan, 1945 PA 327, MCL 259.35.

6 (9) ~~(6)~~—The department shall, on an annual basis, reconcile  
7 the amounts distributed under subsection ~~(5)~~**(8)** during each fiscal  
8 year with the amounts actually collected for a particular fiscal  
9 year and shall make any necessary adjustments, positive or  
10 negative, to the amounts to be distributed for the next successive  
11 calendar quarter that begins January 1. The state treasurer or his  
12 or her designee shall annually provide to the operator of each  
13 qualified airport a report of the reconciliation performed under  
14 this subsection. The reconciliation report is subject to the  
15 confidentiality restrictions and penalties provided in section  
16 28(1)(f) of 1941 PA 122, MCL 205.28.

17 (10) ~~(7)~~—An amount equal to the collections of the tax imposed  
18 at a rate of 4% under this act from the sale at retail of computer  
19 software as defined in section 1a ~~shall~~**MUST** be deposited in the  
20 Michigan health initiative fund created in section 5911 of the  
21 public health code, 1978 PA 368, MCL 333.5911, and ~~shall~~**MUST** be  
22 considered in addition to, and is not intended as a replacement for  
23 any other money appropriated to the department of ~~community~~ health  
24 **AND HUMAN SERVICES** or its successor. The funds deposited in the  
25 Michigan health initiative fund on an annual basis ~~shall~~**MUST** not  
26 be less than \$9,000,000.00 or more than \$12,000,000.00.

27 (11) ~~(8)~~—The balance in the state general fund shall be

1 disbursed only on an appropriation or appropriations by the  
2 legislature.

3 **(12)** ~~(9)~~—As used in this section:

4 (a) "Aviation fuel" means fuel as that term is defined in  
5 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
6 327, MCL 259.4.

7 (b) "Qualified airport" means that term as defined in section  
8 109 of the aeronautics code of the state of Michigan, 1945 PA 327,  
9 MCL 259.109.

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

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

16 Enacting section 1. This amendatory act does not take effect  
17 unless Senate Bill No. \_\_\_\_ or House Bill No. 5314 (request no.  
18 04303'17 \*) of the 99th Legislature is enacted into law.