

**SUBSTITUTE FOR  
HOUSE BILL NO. 4605**

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 25 (MCL 205.75), as amended by 2023 PA 20.

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

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

5           (2) Fifteen percent of the collections of the tax imposed at a  
6 rate of 4% must be distributed to cities, villages, and townships  
7 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971  
8 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% must be deposited in the state school aid fund and  
2 distributed as provided by law. In addition, all of the collections  
3 of the tax imposed at the additional rate of 2% approved by the  
4 electors on March 15, 1994 must be deposited in the state school  
5 aid fund.

6 (4) Except as otherwise provided in this subsection, not less  
7 than 27.9% of 25% of the collections of the general sales tax  
8 imposed at a rate of 4% directly or indirectly on fuels sold to  
9 propel motor vehicles upon highways, on the sale of motor vehicles,  
10 and on the sale of the parts and accessories of motor vehicles by  
11 new and used car businesses, used car businesses, accessory dealer  
12 businesses, and gasoline station businesses as classified by the  
13 department must be deposited each year into the comprehensive  
14 transportation fund. For the fiscal year ending September 30, 2021  
15 only, the amount deposited into the comprehensive transportation  
16 fund under this subsection must be reduced by \$18,000,000.00 and  
17 that \$18,000,000.00 must be deposited into the transportation  
18 administration collection fund.

19 (5) **Beginning with this state's 2024 fiscal year, 1.5% of the**  
20 **collections of the tax imposed at a rate of 4% must be deposited in**  
21 **the public safety and violence prevention fund created under**  
22 **section 11a of the Michigan trust fund act, 2000 PA 489, MCL**  
23 **12.261a, and distributed as provided by law.**

24 (6) ~~(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  
28 this act at the additional rate of 2% approved by the electors on  
29 March 15, 1994 from the sale at retail of aviation fuel must be



1 distributed as follows:

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

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

14 (7) ~~(6)~~—The department shall, on an annual basis, reconcile  
15 the amounts distributed under subsection ~~(5)~~—(6) during each fiscal  
16 year with the amounts actually collected for a particular fiscal  
17 year and shall make any necessary adjustments, positive or  
18 negative, to the amounts to be distributed for the next successive  
19 calendar quarter that begins January 1. The state treasurer or the  
20 state treasurer's designee shall annually provide to the operator  
21 of each qualified airport a report of the reconciliation performed  
22 under this subsection. The reconciliation report is subject to the  
23 confidentiality restrictions and penalties provided in section  
24 28(1)(f) of 1941 PA 122, MCL 205.28.

25 (8) ~~(7)~~—An amount equal to the collections of the tax imposed  
26 at a rate of 4% under this act from the sale at retail of computer  
27 software must be deposited in the Michigan health initiative fund  
28 created in section 5911 of the public health code, 1978 PA 368, MCL  
29 333.5911, and must be considered in addition to, and is not



1 intended as a replacement for any other money appropriated to the  
 2 department of health and human services. The funds deposited in the  
 3 Michigan health initiative fund on an annual basis must not be less  
 4 than \$9,000,000.00 or more than \$12,000,000.00.

5 **(9)** ~~(8)~~—In addition to the money deposited in the state school  
 6 aid fund under subsection (3), an amount equal to the sum of the  
 7 following, as determined by the department, must be deposited into  
 8 the state school aid fund:

9 (a) All revenue lost to the state school aid fund as a result  
 10 of the exemption under section 4a(1)(u).

11 (b) All revenue lost to the state school aid fund as a result  
 12 of the exemption under section 4ee. A person that claims an  
 13 exemption under section 4ee shall report the sales price of the  
 14 data center equipment as defined in section 4ee and any other  
 15 information necessary to determine the amount of revenue lost to  
 16 the state school aid fund as a result of the exemption under  
 17 section 4ee annually on a form at the time and in a manner  
 18 prescribed by the department. The report required under this  
 19 subdivision must not include any remittance for tax, and does not  
 20 constitute a return or otherwise alleviate any obligations under  
 21 section 6.

22 (c) All revenue lost to the state school aid fund as a result  
 23 of the exclusion under section 1(1)(d)(xv).

24 **(10)** ~~(9)~~—The balance in the state general fund shall be  
 25 disbursed only on an appropriation or appropriations by the  
 26 legislature.

27 **(11)** ~~(10)~~—As used in this section:

28 (a) "Aviation fuel" means fuel as that term is defined in  
 29 section 4 of the aeronautics code of the state of Michigan, 1945 PA



1 327, MCL 259.4.

2 (b) "Comprehensive transportation fund" means the  
3 comprehensive transportation fund created in section 10b of 1951 PA  
4 51, MCL 247.660b.

5 (c) "Qualified airport" means that term as defined in section  
6 109 of the aeronautics code of the state of Michigan, 1945 PA 327,  
7 MCL 259.109.

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

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

14 (f) "State school aid fund" means the state school aid fund  
15 established in section 11 of article IX of the state constitution  
16 of 1963.

17 (g) "Transportation administration collection fund" means the  
18 transportation administration collection fund created in section  
19 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

20 Enacting section 1. This amendatory act does not take effect  
21 unless House Bill No. 4606 of the 102nd Legislature is enacted into  
22 law.

