

HOUSE BILL NO. 6197

November 26, 2024, Introduced by Rep. Kunse and referred to the Committee on Government Operations.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 21 (MCL 205.111), as amended by 2023 PA 175,
and by adding section 4gg.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 4gg. (1) Beginning October 1, 2025, the storage, use, or**
2 **consumption of eligible fuel is exempt from the tax under this act.**
3 **(2) As used in this section, "eligible fuel" means any fuel**
4 **subject to the tax levied under the motor fuel tax act, 2000 PA**
5 **403, MCL 207.1001 to 207.1170.**

1 Sec. 21. (1) Except as otherwise provided in this section, all
2 money received and collected under this act must be deposited by
3 the department of treasury in the state treasury to the credit of
4 the general fund, to be disbursed only by appropriations by the
5 legislature.

6 (2) The collections from the use tax imposed at the additional
7 rate of 2% approved by the electors on March 15, 1994 must be
8 deposited in the state school aid fund.

9 (3) In addition to the money deposited in the state school aid
10 fund under subsection (2), from the money received and collected
11 under this act for the state share, an amount equal to the sum of
12 the following, as determined by the department, must be deposited
13 in the state school aid fund:

14 (a) All revenue lost under the state education tax act, 1993
15 PA 331, MCL 211.901 to 211.906, as a result of the exemption of
16 personal property under sections 9m, 9n, and 9o of the general
17 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

18 (b) All revenue lost from basic school operating mills as a
19 result of the exemption of personal property under sections 9m, 9n,
20 and 9o of the general property tax act, 1893 PA 206, MCL 211.9m,
21 211.9n, and 211.9o.

22 (c) All revenue lost to the state school aid fund as a result
23 of the ~~exemption~~ **exemptions** under ~~section~~ **sections** 4(1)(gg) **and**
24 **4gg**.

25 (d) All revenue lost to the state school aid fund as a result
26 of the exemption under section 4cc. A person that claims an
27 exemption under section 4cc shall report the purchase price of the
28 data center equipment as **that term is** defined in section 4cc and
29 any other information necessary to determine the amount of revenue

1 lost to the state school aid fund as a result of the exemption
2 under section 4cc annually on a form at the time and in a manner
3 prescribed by the department. The report required under this
4 subdivision must not include any remittance for tax and does not
5 constitute a return or otherwise alleviate the person's obligations
6 under section 6.

7 (e) All revenue lost to the state school aid fund as a result
8 of the exclusion under section 2(1)(f)(xv).

9 (4) Money received and collected under this act for the local
10 community stabilization share is not state funds, must not be
11 credited to the state treasury, and must be transmitted to the
12 authority for deposit in the treasury of the authority, to be
13 disbursed by the authority only as authorized under the local
14 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
15 123.1362. The local community stabilization share is a local tax,
16 not a state tax, and money received and collected for the local
17 community stabilization share is money of the authority and not
18 money of this state.

19 (5) Beginning October 1, 2016 and the first day of each
20 calendar quarter thereafter, from the money received and collected
21 under this act for the state share, an amount equal to the
22 collections for the calendar quarter that is 2 calendar quarters
23 immediately preceding the current calendar quarter of the tax
24 imposed under this act at the additional rate of 2% approved by the
25 electors on March 15, 1994 from the use, storage, or consumption of
26 aviation fuel must be distributed as follows:

27 (a) An amount equal to 35% of the collections of the tax
28 imposed at a rate of 2% on the use, storage, or consumption of
29 aviation fuel must be deposited in the state aeronautics fund and

1 must be expended, on appropriation, only for those purposes
2 authorized in the aeronautics code of the state of Michigan, 1945
3 PA 327, MCL 259.1 to 259.208.

4 (b) An amount equal to 65% of the collections of the tax
5 imposed at a rate of 2% on the use, storage, or consumption of
6 aviation fuel must be deposited in the qualified airport fund and
7 must be expended, on appropriation, only for those purposes
8 authorized under section 35 of the aeronautics code of the state of
9 Michigan, 1945 PA 327, MCL 259.35.

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

21 (7) Beginning with the fiscal year ending September 30, 2024
22 and each fiscal year thereafter, from the money received and
23 collected under this act for the state share, \$75,000,000.00 must
24 be deposited into the local government reimbursement fund created
25 in section 3a of the Michigan trust fund act, 2000 PA 489, MCL
26 12.253a.

27 (8) 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) "Qualified airport" means that term as defined in section
3 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
4 MCL 259.109.

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

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

11 (e) "State school aid fund" means the state school aid fund
12 established in section 11 of article IX of the state constitution
13 of 1963.

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 102nd Legislature are
16 enacted into law:

17 (a) Senate Bill No. ____ or House Bill No. 6194 (request no.
18 06253'24).

19 (b) Senate Bill No. ____ or House Bill No. 6195 (request no.
20 06253'24 a).

21 (c) Senate Bill No. ____ or House Bill No. 6196 (request no.
22 06254'24).