



HOUSE BILL No. 5846

May 1, 1996, Introduced by Rep. Munsell and referred to the Committee on Tax Policy.

A bill to amend section 12 of Act No. 327 of the Public Acts of 1993, entitled "Tobacco products tax act," being section 205.432 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12 of Act No. 327 of the Public Acts of
2 1993, being section 205.432 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 12. (1) The proceeds derived from the payment of
5 taxes, fees, and penalties provided for under this act and the
6 license fees received by the department shall be deposited with
7 the state treasurer and disbursed only as provided in this
8 section.

9 (2) The proceeds of the tax imposed under section 7(1)(a)
10 shall be DISBURSED AS FOLLOWS:

1 (A) 94% SHALL BE credited to the state school aid fund
2 established by section 11 of article IX of the state constitution
3 of 1963.

4 (B) 6% SHALL BE DEPOSITED IN THE HEALTHY MICHIGAN FUND.

5 ~~(3) If the sales tax is levied at a rate of 4% under the~~
6 ~~general sales tax act, Act No. 167 of the Public Acts of 1933,~~
7 ~~the tax imposed on cigarettes pursuant to section 7(1)(b) shall~~
8 ~~be disbursed as follows:~~

9 ~~(a) The proceeds of 1.5 mills shall be credited to the~~
10 ~~health and safety fund created in the health and safety fund act,~~
11 ~~Act No. 264 of the Public Acts of 1987, being sections 141.471 to~~
12 ~~141.479 of the Michigan Compiled Laws.~~

13 ~~(b) The proceeds of 9.5 mills shall be credited to the gen-~~
14 ~~eral fund of this state.~~

15 ~~(c) The proceeds of 8.5 mills shall be credited to the state~~
16 ~~school aid fund established by section 11 of article IX of the~~
17 ~~state constitution of 1963.~~

18 ~~(d) The proceeds of .5 mills shall be distributed to city,~~
19 ~~district, and county health departments created pursuant to~~
20 ~~sections 2413, 2415, and 2421 of the public health code, Act~~
21 ~~No. 368 of the Public Acts of 1978, being sections 333.2413,~~
22 ~~333.2415, and 333.2421 of the Michigan Compiled Laws, on a per~~
23 ~~capita basis according to the most recent federal decennial~~
24 ~~census. The distribution under this subdivision shall be used~~
25 ~~only for public health prevention programs and services. This~~
26 ~~distribution is in addition to and is not intended as a~~

1 ~~replacement for any other state payments to these local health~~
2 ~~departments.~~

3 (3) ~~(4) If the sales tax is levied at a rate of 6% under~~
4 ~~the general sales tax act, Act No. 167 of the Public Acts of~~
5 ~~1933, being sections 205.51 to 205.70 of the Michigan Compiled~~
6 ~~Laws, THE PROCEEDS OF the tax imposed on cigarettes pursuant to~~
7 ~~section ~~7(1)(c)~~ 7(1)(B) AND THE PROCEEDS OF TAX IMPOSED PURSU-~~
8 ~~ANT TO SECTION 7(4) shall be disbursed as follows:~~

9 (a) ~~4%~~ BEGINNING MAY 1, 1994, 5.3% of the proceeds shall
10 be credited to the health and safety fund created in the health
11 and safety fund act, Act No. 264 of the Public Acts of 1987,
12 being sections 141.471 to 141.479 of the Michigan Compiled Laws.

13 (b) 25.3% of the proceeds shall be credited to the general
14 fund of this state.

15 (c) 63.4% of the proceeds shall be credited to the state
16 school aid fund established by section 11 of article IX of the
17 state constitution of 1963.

18 ~~(d) 1.3% of the proceeds shall be distributed to city, dis-~~
19 ~~trict, and county health departments created pursuant to~~
20 ~~sections 2413, 2415, and 2421 of the public health code, Act~~
21 ~~No. 368 of the Public Acts of 1978, being sections 333.2413,~~
22 ~~333.2415, and 333.2421 of the Michigan Compiled Laws, on a per~~
23 ~~capita basis according to the most recent federal decennial~~
24 ~~census. The distribution under this subdivision shall be used~~
25 ~~only for public health prevention programs and services. This~~
26 ~~distribution is in addition to and is not intended as a~~

1 ~~replacement for any other state payments to these local health~~
2 ~~departments.~~

3 (D) ~~(e)~~ 6% of the proceeds shall be ~~dedicated to improv-~~
4 ~~ing the health care of the residents of this state~~ DEPOSITED IN
5 THE HEALTHY MICHIGAN FUND.

6 (4) ~~(5)~~ The proceeds of the fees and penalties provided
7 for in this act shall be used for the administration of this
8 act.