

## HOUSE JOINT RESOLUTION UU

December 18, 2014, Introduced by Rep. Haveman.

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8, 10, and 11 of article IX, to increase the maximum sales tax rate and use tax rate permitted under law, to exempt gasoline and diesel fuel from the sales tax and use tax, to dedicate a portion of sales tax revenue and use tax revenue, and to revise the permissible uses for payments from the school aid fund.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to increase the maximum sales tax rate and use tax rate permitted under law, to exempt gasoline and diesel fuel from the sales tax and use tax, to dedicate a portion of sales tax revenue and use tax revenue, and to revise the permissible uses for payments from the school aid fund, is proposed, agreed to, and

submitted to the people of the state:

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## ARTICLE IX

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Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than ~~4%~~ 5% of their gross taxable sales of tangible personal property.

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Beginning May 1, 1994, the sales tax shall be imposed on retailers at an additional rate of 2% of their gross taxable sales of tangible personal property not exempt by law and the use tax at an additional rate of 2%. The proceeds of the sales and use taxes imposed at the additional rate of 2% shall be deposited in the state school aid fund established in section 11 of this article.

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The allocation of sales tax revenue required or authorized by sections 9 and 10 of this article does not apply to the revenue from the sales tax imposed at the additional rate of 2%.

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No sales tax or use tax shall be charged or collected from and after January 1, 1975 on the sale or use of prescription drugs for human use, or on the sale or use of food for human consumption except in the case of prepared food intended for immediate consumption as defined by law. This provision shall not apply to alcoholic beverages.

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**NO SALES TAX OR USE TAX SHALL BE CHARGED OR COLLECTED FROM AND AFTER OCTOBER 1, 2015 ON THE SALE OR USE OF GASOLINE OR DIESEL FUEL USED TO OPERATE A MOTOR VEHICLE ON THE PUBLIC ROADS OR HIGHWAYS OF THIS STATE.**

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Sec. 10. Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than ~~4%~~ 5% shall be used exclusively for assistance to

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1 townships, cities and villages, on a population basis as provided  
2 by law. In determining population the legislature may exclude any  
3 portion of the total number of persons who are wards, patients or  
4 convicts in any tax supported institution.

5       Sec. 11. There shall be established a state school aid fund  
6 which shall be used exclusively for aid to school districts, ~~higher~~  
7 ~~education,~~ **PUBLIC COMMUNITY COLLEGES, PUBLIC CAREER AND TECHNICAL**  
8 **EDUCATION PROGRAMS, SCHOLARSHIPS FOR STUDENTS ATTENDING EITHER**  
9 **PUBLIC COMMUNITY COLLEGES OR PUBLIC CAREER AND TECHNICAL EDUCATION**  
10 **PROGRAMS,** and school employees' retirement systems, as provided by  
11 law. Sixty percent of all taxes imposed at a rate of ~~4%~~ **NOT MORE**  
12 **THAN 5%** on retailers on taxable sales at retail of tangible  
13 personal property, 100% of the proceeds of the sales and use taxes  
14 imposed at the additional rate of 2% provided for in section 8 of  
15 this article, and other tax revenues provided by law, shall be  
16 dedicated to this fund. **IN ADDITION, AN AMOUNT EQUAL TO 12.3% OF**  
17 **THE USE TAX IMPOSED AT A RATE OF NOT MORE THAN 5% SHALL BE**  
18 **DEDICATED TO THIS FUND AS PROVIDED BY LAW.** Payments from this fund  
19 shall be made in full on a scheduled basis, as provided by law.  
20 Beginning in the 1995-96 state fiscal year and each state fiscal  
21 year after 1995-96, the state shall guarantee that the total state  
22 and local per pupil revenue for school operating purposes for each  
23 local school district shall not be less than the 1994-95 total  
24 state and local per pupil revenue for school operating purposes for  
25 that local school district, as adjusted for consolidations,  
26 annexations, or other boundary changes. However, this guarantee  
27 does not apply in a year in which the local school district levies

1 a millage rate for school district operating purposes less than it  
2 levied in 1994.

3 Resolved further, That the foregoing amendment shall be  
4 submitted to the people of the state at a special election to be  
5 held at the same time as the May 5, 2015 regular election in the  
6 manner provided by law.