

SENATE BILL No. 1064

September 7, 2016, Introduced by Senators MACGREGOR, HORN, STAMAS, BIEDA, BRANDENBURG, KNEZEK, WARREN, HERTEL, YOUNG, SCHMIDT, KOWALL, ZORN and JONES and referred to the Committee on Economic Development and International Investment.

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 21 (MCL 205.111), as amended by 2015 PA 263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) Except as ~~provided in subsections (2), (3), (4),~~
2 ~~and (5),~~ **OTHERWISE PROVIDED IN THIS SECTION**, all money received and
3 collected under this act shall be deposited by the department of
4 treasury in the state treasury to the credit of the general fund,
5 to be disbursed only by appropriations by the legislature.

6 (2) The collections from the use tax imposed at the additional
7 rate of 2% approved by the electors March 15, 1994 shall be
8 deposited in the state school aid fund established in section 11 of
9 article IX of the state constitution of 1963.

1 (3) From the money received and collected under this act for
2 the state share, an amount equal to all revenue lost under the
3 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
4 all revenue lost from basic school operating mills as a result of
5 the exemption of personal property under sections 9m, 9n, and 9o of
6 the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and
7 211.9o, as determined by the department, shall be deposited into
8 the state school aid fund established by section 11 of article IX
9 of the state constitution of 1963. Funds deposited into the state
10 school aid fund under this subsection shall not include the portion
11 of the state share of the use tax imposed at the additional rate of
12 2% approved by the electors of this state on March 15, 1994 and
13 dedicated for aid to schools under subsection (2).

14 (4) Money received and collected under this act for the local
15 community stabilization share is not state funds, shall not be
16 credited to the state treasury, and shall be transmitted to the
17 authority for deposit in the treasury of the authority, to be
18 disbursed by the authority only as authorized under the local
19 community stabilization authority act. The local community
20 stabilization share is a local tax, not a state tax, and money
21 received and collected for the local community stabilization share
22 is money of the authority and not money of this state.

23 (5) Beginning October 1, 2016 and the first day of each
24 calendar quarter thereafter, from the money received and collected
25 under this act for the state share, an amount equal to the
26 collections for the calendar quarter that is 2 calendar quarters
27 immediately preceding the current calendar quarter of the tax

1 imposed under this act at the additional rate of 2% approved by the
2 electors on March 15, 1994 from the use, storage, or consumption of
3 aviation fuel shall be distributed as follows:

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

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

16 **(6) FROM THE MONEY RECEIVED AND COLLECTED UNDER THIS ACT FOR**
17 **THE STATE SHARE, AN AMOUNT EQUAL TO THE USE TAX PORTION OF THE**
18 **SALES AND USE TAX CAPTURE REVENUES ATTRIBUTABLE TO TRANSFORMATIONAL**
19 **BROWNFIELD PLANS ADOPTED UNDER THE BROWNFIELD REDEVELOPMENT**
20 **FINANCING ACT, 1996 PA 381, MCL 125.2651 TO 125.2672, SHALL BE**
21 **DEPOSITED EACH STATE FISCAL YEAR INTO THE STATE BROWNFIELD**
22 **REDEVELOPMENT FUND CREATED IN SECTION 8A OF THE BROWNFIELD**
23 **REDEVELOPMENT FINANCING ACT, 1996 PA 381, MCL 125.2658A.**

24 (7) ~~(6)~~—The department shall, on an annual basis, reconcile
25 the amounts distributed under subsection (5) during each fiscal
26 year with the amounts actually collected for a particular fiscal
27 year and shall make any necessary adjustments, positive or

1 negative, to the amounts to be distributed for the next successive
2 calendar quarter that begins January 1. The state treasurer or his
3 or her designee shall annually provide to the operator of each
4 qualified airport a report of the reconciliation performed under
5 this subsection. The reconciliation report is subject to the
6 confidentiality restrictions and penalties provided in section
7 28(1)(f) of 1941 PA 122, MCL 205.28.

8 (8) ~~(7)~~—As used in this section:

9 (a) "Aviation fuel" means fuel as that term is defined in
10 section 4 of the aeronautics code of the state of Michigan, 1945 PA
11 327, MCL 259.4.

12 (b) "Qualified airport" means that term as defined in section
13 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
14 MCL 259.109.

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

18 (D) **"SALES AND USE TAX CAPTURE REVENUES" MEANS THAT TERM AS**
19 **DEFINED IN SECTION 2 OF THE BROWNFIELD REDEVELOPMENT FINANCING ACT,**
20 **1996 PA 381, MCL 125.2652.**

21 (E) ~~(d)~~—"State aeronautics fund" means the state aeronautics
22 fund created in section 34(1) of the aeronautics code of the state
23 of Michigan, 1945 PA 327, MCL 259.34.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No.____ or House Bill No.____ (request no.
26 06100'16) of the 98th Legislature is enacted into law.