

HOUSE BILL No. 4804

May 17, 2005, Introduced by Reps. Cheeks, Lemmons, III, Lemmons, Jr., Cushingberry, Hunter, McConico, Condino, Gonzales, Zelenko, Williams, Phillips, Leland, Tobocman, Gaffney, Gillard, Farrah, Shaffer, Wenke, Sak, Clack, Murphy, Meisner, Brown, Alma Smith and Lipsey and referred to the Committee on Tax Policy.

A bill to provide for the levy, collection, and administration of an excise tax on the privilege of selling certain food and beverages in certain cities in this state; to provide for the disposition of the proceeds of the tax; and to prescribe the powers and duties of certain state departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "fast-
2 food restaurant and food service tax act".

3 Sec. 2. As used in this act:

4 (a) "Eligible city" means a city with a population of 750,000
5 or more.

6 (b) "Fast-food restaurant" means a restaurant with a North
7 American industrial classification system (NAICS) of 722211, at

1 which patrons pay for the food and beverages selected or ordered
2 before eating or drinking, whether the food or beverages are
3 consumed on the premises, taken out, or delivered to another
4 location.

5 (c) "Fund" means the fast-food restaurant and food service
6 fund created in section 6.

7 (d) "Prepared food and beverages" means all prepared food and
8 beverages subject to the collection of tax under the general sales
9 tax act, 1933 PA 167, MCL 205.51 to 205.78.

10 Sec. 3. (1) Subject to section 4, an excise tax is levied on
11 the gross monthly sales of prepared food and beverages sold at
12 fast-food restaurants in all eligible cities in this state.

13 (2) The rate of the excise tax is 2% of the gross monthly
14 sales of prepared food and beverages sold at fast-food restaurants.

15 (3) The excise tax shall be collected each month at the same
16 time and in the same manner as the tax imposed under the general
17 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

18 (4) The excise tax imposed under this act shall be
19 administered by the state treasurer under 1941 PA 122, MCL 205.1 to
20 205.31.

21 (5) The state treasurer shall prescribe the forms necessary
22 for the administration of this act and may promulgate necessary
23 rules under the administrative procedures act of 1969, 1969 PA 306,
24 MCL 24.201 to 24.328.

25 Sec. 4. The excise tax imposed under section 3 shall not be
26 imposed in an eligible city unless the governing body of the
27 eligible city approves by resolution the imposition of the excise

1 tax.

2 Sec. 5. A taxpayer may reimburse himself or herself by adding
3 the amount of the excise tax to the cost of prepared food and
4 beverages sold at a fast-food restaurant.

5 Sec. 6. (1) The fast-food restaurant and food service fund is
6 created within the state treasury.

7 (2) The proceeds from the collection of the excise tax imposed
8 under this act shall be deposited with the state treasurer and
9 credited to the fund.

10 (3) The state treasurer may receive money or other assets from
11 any source for deposit into the fund. The state treasurer shall
12 direct the investment of the fund. The state treasurer shall
13 credit to the fund interest and earnings from fund investments.

14 (4) Money in the fund at the close of the fiscal year shall
15 remain in the fund and shall not lapse to the general fund.

16 (5) The treasurer shall remit, upon appropriation, all
17 proceeds in the fund to the eligible city from which the proceeds
18 were collected.