

# HOUSE BILL No. 5617

January 16, 2008, Introduced by Rep. Sak and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 25 (MCL 205.75), as amended by 2007 PA 69.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 25. (1) All money received and collected under this act  
2 shall be deposited by the department in the state treasury to the  
3 credit of the general fund, except as otherwise provided in this  
4 section.

5       (2) Fifteen percent of the collections of the tax imposed at a  
6 rate of 4% shall be distributed to cities, villages, and townships  
7 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971  
8 PA 140, MCL 141.901 to 141.921.

9       (3) Sixty percent of the collections of the tax imposed at a

1 rate of 4% shall be deposited in the state school aid fund  
2 established in section 11 of article IX of the state constitution  
3 of 1963 and distributed as provided by law. In addition, all of the  
4 collections of the tax imposed at the additional rate of 2%  
5 approved by the electors March 15, 1994 shall be deposited in the  
6 state school aid fund.

7 (4) For the fiscal year ending September 30, 1988 and each  
8 fiscal year ending after September 30, 1988, of the 25% of the  
9 collections of the general sales tax imposed at a rate of 4%  
10 directly or indirectly on fuels sold to propel motor vehicles upon  
11 highways, on the sale of motor vehicles and on the sale of the  
12 parts and accessories of motor vehicles by new and used car  
13 businesses, used car businesses, accessory dealer businesses, and  
14 gasoline station businesses as classified by the department of  
15 treasury remaining after the allocations and distributions are made  
16 pursuant to subsections (2) and (3), the following amounts shall be  
17 deposited each year into the respective funds:

18 (a) For the fiscal year ending September 30, 2003 and for the  
19 fiscal year ending September 30, 2006 and each fiscal year ending  
20 after September 30, 2006, not less than 27.9% to the comprehensive  
21 transportation fund. For the fiscal year ending September 30, 2004  
22 through the fiscal year ending September 30, 2005, not less than  
23 24% to the comprehensive transportation fund. For the fiscal year  
24 ending September 30, 2006 only, the amount deposited to the  
25 comprehensive transportation fund under this subdivision shall be  
26 reduced by \$11,100,000.00. For the fiscal year ending September 30,  
27 2007 only, the amount deposited to the comprehensive transportation

1 fund under this subdivision shall be reduced by \$10,270,000.00.

2 (b) The balance to the state general fund.

3 (5) After the allocations and distributions are made pursuant  
4 to subsections (2) and (3), an amount equal to the collections of  
5 the tax imposed at a rate of 4% under this act from the sale at  
6 retail of computer software as defined in section 1a shall be  
7 deposited in the Michigan health initiative fund created in section  
8 5911 of the public health code, 1978 PA 368, MCL 333.5911, and  
9 shall be considered in addition to, and is not intended as a  
10 replacement for any other money appropriated to the department of  
11 community health. The funds deposited in the Michigan health  
12 initiative fund on an annual basis shall not be less than  
13 \$9,000,000.00 or more than \$12,000,000.00.

14 **(6) AFTER THE ALLOCATIONS AND DISTRIBUTIONS ARE MADE PURSUANT**  
15 **TO SUBSECTIONS (2) THROUGH (5), AN AMOUNT EQUAL TO 25% OF THE**  
16 **COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT SHALL**  
17 **BE DEPOSITED INTO A RESTRICTED FUND IN THE STATE GENERAL FUND,**  
18 **WHICH RESTRICTED FUND SHALL BE ADMINISTERED BY TRAVEL MICHIGAN AND**  
19 **USED ONLY FOR TOURISM MARKETING AND PROMOTION.**

20 (7) ~~(6)~~—The balance in the state general fund shall be  
21 disbursed only on an appropriation or appropriations by the  
22 legislature.