

# HOUSE BILL No. 5292

September 2, 2009, Introduced by Reps. Agema, Genetski, McMillin, Elsenheimer, Meekhof and Knollenberg and referred to the Committee on Transportation.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 25 (MCL 205.75), as amended by 2008 PA 361.

**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  
10 rate of 4% shall be deposited in the state school aid fund  
11 established in section 11 of article IX of the state constitution

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

5 (4) ~~For~~ **SUBJECT TO SUBSECTION (5), FOR** the fiscal year ending  
6 September 30, 1988 and each fiscal year ending after September 30,  
7 1988, of the 25% of the collections of the general sales tax  
8 imposed at a rate of 4% directly or indirectly on fuels sold to  
9 propel motor vehicles upon highways, on the sale of motor vehicles,  
10 and on the sale of the parts and accessories of motor vehicles by  
11 new and used car businesses, used car businesses, accessory dealer  
12 businesses, and gasoline station businesses as classified by the  
13 department of treasury remaining after the allocations and  
14 distributions are made pursuant to subsections (2) and (3), the  
15 following amounts shall be deposited each year into the respective  
16 funds:

17 (a) For the fiscal year ending September 30, 2003 and for the  
18 fiscal year ending September 30, 2006 and each fiscal year ending  
19 after September 30, 2006, not less than 27.9% to the comprehensive  
20 transportation fund. For the fiscal year ending September 30, 2004  
21 through the fiscal year ending September 30, 2005, not less than  
22 24% to the comprehensive transportation fund. For the fiscal year  
23 ending September 30, 2006 only, the amount deposited to the  
24 comprehensive transportation fund under this subdivision shall be  
25 reduced by \$11,100,000.00. For the fiscal year ending September 30,  
26 2007 only, the amount deposited to the comprehensive transportation  
27 fund under this subdivision shall be reduced by \$10,270,000.00. For

1 the fiscal year ending September 30, 2008 only, the amount  
2 deposited to the comprehensive transportation fund under this  
3 subdivision shall be reduced by \$5,000,000.00 and shall be  
4 deposited in the state treasury to the credit of the general fund.

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

6 (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009 AND EACH  
7 FISCAL YEAR ENDING AFTER SEPTEMBER 30, 2009, AFTER THE ALLOCATIONS  
8 AND DISTRIBUTIONS ARE MADE PURSUANT TO SUBSECTIONS (2) AND (3), THE  
9 AMOUNT DEPOSITED TO THE COMPREHENSIVE TRANSPORTATION FUND UNDER  
10 SUBSECTION (4) SHALL BE REDUCED BY \$30,000,000.00 AND SHALL BE  
11 DEPOSITED IN THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND  
12 AND SHALL BE DISTRIBUTED, BY APPROPRIATION, AS FOLLOWS:

13 (A) 39.1% FOR DEPOSIT INTO THE STATE TRUNK LINE FUND CREATED  
14 IN SECTION 11 OF 1951 PA 51, MCL 247.661.

15 (B) 39.1% TO COUNTY ROAD COMMISSIONS, FOR ROAD CONSTRUCTION,  
16 MAINTENANCE, AND REPAIR. FUNDS DISTRIBUTED UNDER THIS SUBDIVISION  
17 SHALL BE DISTRIBUTED IN THE MANNER PROVIDED IN SECTION 12 OF 1951  
18 PA 51, MCL 247.662.

19 (C) 21.8% TO CITIES AND VILLAGES, FOR ROAD CONSTRUCTION,  
20 MAINTENANCE, AND REPAIR. FUNDS DISTRIBUTED UNDER THIS SUBDIVISION  
21 SHALL BE DISTRIBUTED IN THE MANNER PROVIDED IN SECTION 13 OF 1951  
22 PA 51, MCL 247.663.

23 (6) ~~(5)~~ After the allocations and distributions are made  
24 pursuant to subsections (2) and (3), an amount equal to the  
25 collections of the tax imposed at a rate of 4% under this act from  
26 the sale at retail of computer software as defined in section 1a  
27 shall be deposited in the Michigan health initiative fund created

1 in section 5911 of the public health code, 1978 PA 368, MCL  
2 333.5911, and shall be considered in addition to, and is not  
3 intended as a replacement for any other money appropriated to the  
4 department of community health. The funds deposited in the Michigan  
5 health initiative fund on an annual basis shall not be less than  
6 \$9,000,000.00 or more than \$12,000,000.00.

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