

SENATE JOINT RESOLUTION K

March 24, 2011, Introduced by Senator JOHNSON and referred to the Committee on Finance.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to allow the levy of a sales tax on the sale of tangible personal property and services by local units of government and to restrict the use of the proceeds of that tax.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to allow the levy of a sales tax on the sale of tangible personal property and services by local units of government and to restrict the use of the proceeds of that tax, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature

1 shall not impose a sales tax on retailers at a rate of more than 4%
2 of their gross taxable sales of tangible personal property.

3 Beginning May 1, 1994, the sales tax shall be imposed on
4 retailers at an additional rate of 2% of their gross taxable sales
5 of tangible personal property not exempt by law and the use tax at
6 an additional rate of 2%. The proceeds of the sales and use taxes
7 imposed at the additional rate of 2% shall be deposited in the
8 state school aid fund established in section 11 of this article.
9 The allocation of sales tax revenue required or authorized by
10 sections 9 and 10 of this article does not apply to the revenue
11 from the sales tax imposed at the additional rate of 2%.

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

18 BEGINNING JANUARY 1, 2012, A CITY, VILLAGE, OR COUNTY; TWO OR
19 MORE ADJACENT CITIES, VILLAGES, OR COUNTIES; A TOWNSHIP AND AN
20 ADJACENT CITY, VILLAGE, OR COUNTY; NOT LESS THAN THREE ADJACENT
21 TOWNSHIPS; OR ANY STATUTORILY CREATED REGIONAL AUTHORITY WITH
22 BONDING AUTHORITY UNDER LAW MAY IMPOSE ON RETAILERS AND SERVICE
23 PROVIDERS A SALES TAX AT A RATE OF NOT MORE THAN 4% OF THEIR GROSS
24 TAXABLE SALES OF TANGIBLE PERSONAL PROPERTY AND SERVICES IF
25 APPROVED BY A MAJORITY VOTE OF THE QUALIFIED ELECTORS IN EACH CITY,
26 VILLAGE, TOWNSHIP, COUNTY, OR REGIONAL AUTHORITY IN WHICH THE SALES
27 TAX IS TO BE LEVIED. PROCEEDS OF THE SALES TAX IMPOSED AT A RATE OF

1 NOT MORE THAN 4% MAY BE USED FOR ANY PURPOSE, AS APPROVED BY THE
2 QUALIFIED ELECTORS IN EACH CITY, VILLAGE, TOWNSHIP, COUNTY, OR
3 REGIONAL AUTHORITY IN WHICH THE TAX WAS COLLECTED. IN ADDITION TO
4 ANY OTHER REQUIREMENTS IMPOSED BY LAW, THE BALLOT QUESTION
5 PROPOSING THE AUTHORIZATION OF THE TAX SHALL SPECIFICALLY STATE HOW
6 THE PROCEEDS OF THE TAX SHALL BE DISTRIBUTED.

7 Resolved further, That the foregoing amendment shall be
8 submitted to the people of the state at the next general election
9 in the manner provided by law.