

SENATE JOINT RESOLUTION N

October 4, 2011, Introduced by Senator WALKER 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 increase the sales tax rate and to dedicate that revenue to the comprehensive transportation fund.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to increase the sales tax rate and to dedicate that revenue to the comprehensive transportation fund, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than 4%

1 of their gross taxable sales of tangible personal property.

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

11 **BEGINNING JANUARY 1, 2012, THE SALES TAX SHALL BE IMPOSED ON**
12 **RETAILERS AT AN ADDITIONAL RATE OF 1% OF THEIR GROSS TAXABLE SALES**
13 **OF TANGIBLE PERSONAL PROPERTY NOT EXEMPT BY LAW. THE PROCEEDS OF**
14 **THE SALES TAX IMPOSED AT THE ADDITIONAL RATE OF 1% SHALL BE**
15 **DEPOSITED IN THE MICHIGAN TRANSPORTATION FUND CREATED IN 1951 PA**
16 **51, MCL 247.651 TO 247.675, OR ITS SUCCESSOR FUND. THE ALLOCATION**
17 **OF SALES TAX REVENUE REQUIRED OR AUTHORIZED BY SECTIONS 9 AND 10 OF**
18 **THIS ARTICLE DOES NOT APPLY TO THE REVENUE FROM THE SALES TAX**
19 **IMPOSED AT THE ADDITIONAL RATE OF 1%.**

20 No sales tax or use tax shall be charged or collected from and
21 after January 1, 1975 on the sale or use of prescription drugs for
22 human use, or on the sale or use of food for human consumption
23 except in the case of prepared food intended for immediate
24 consumption as defined by law. This provision shall not apply to
25 alcoholic beverages.

26 Resolved further, That the foregoing amendment shall be
27 submitted to the people of the state at the next general election

1 in the manner provided by law.