

# SENATE JOINT RESOLUTION M

December 15, 2015, Introduced by Senators HORN, JONES, BOOHER and GREEN and referred to the Committee on Government Operations.

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, to dedicate that revenue to transportation purposes, and to nullify the increase in motor fuel taxes or registration fees enacted in 2015.

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, to dedicate that revenue to transportation purposes, and to nullify the increase in motor fuel taxes or registration fees enacted in 2015, 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, 2017 THROUGH DECEMBER 31, 2026, UNLESS  
12 THE SUNSET DATE IS ELIMINATED OR AN ALTERNATIVE SUNSET DATE IS  
13 PROPOSED BY AN INITIATIVE PETITION THAT IS SUBMITTED TO AND  
14 APPROVED BY A MAJORITY OF THE VOTERS AT ANY ELECTION HELD BEFORE  
15 DECEMBER 31, 2026, IN THE MANNER PROVIDED BY LAW, THE SALES TAX  
16 SHALL BE IMPOSED ON RETAILERS AT AN ADDITIONAL RATE OF 1% OF THEIR  
17 GROSS TAXABLE SALES OF TANGIBLE PERSONAL PROPERTY NOT EXEMPT BY LAW  
18 AND THE USE TAX AT AN ADDITIONAL RATE OF 1%. THE ALLOCATION OF  
19 SALES TAX REVENUE REQUIRED OR AUTHORIZED BY SECTIONS 9 AND 10 OF  
20 THIS ARTICLE DOES NOT APPLY TO THE REVENUE FROM THE SALES TAX  
21 IMPOSED AT THE ADDITIONAL RATE OF 1%. THE PROCEEDS OF THE SALES AND  
22 USE TAXES IMPOSED AT THE ADDITIONAL RATE OF 1% SHALL, AFTER THE  
23 PAYMENT OF NECESSARY COLLECTION EXPENSES, BE USED EXCLUSIVELY FOR  
24 THE TRANSPORTATION PURPOSES OF PLANNING, ADMINISTERING,  
25 CONSTRUCTING, RECONSTRUCTING, FINANCING, AND MAINTAINING STATE,  
26 COUNTY, CITY, VILLAGE, AND TOWNSHIP ROADS, STREETS, AND BRIDGES  
27 DESIGNED PRIMARILY FOR THE USE OF MOTOR VEHICLES USING TIRES, AND

1 REASONABLE APPURTENANCES TO THOSE STATE, COUNTY, CITY, VILLAGE, AND  
2 TOWNSHIP ROADS, STREETS, AND BRIDGES AND SHALL BE USED TO  
3 SUPPLEMENT AND NOT SUPPLANT EXISTING FUNDING FOR TRANSPORTATION.  
4 THE PROCEEDS OF THE SALES AND USE TAXES IMPOSED AT THE ADDITIONAL  
5 RATE OF 1% SHALL NOT BE USED FOR COMPREHENSIVE TRANSPORTATION  
6 PURPOSES AS DEFINED BY LAW AND SHALL, AFTER THE PAYMENT OF  
7 NECESSARY COLLECTION EXPENSES, BE DISTRIBUTED IN THE FOLLOWING  
8 MANNER:

9 (A) 35% TO THE STATE TRUNK LINE FUND CREATED IN SECTION 11 OF  
10 1951 PA 51, MCL 247.661.

11 (B) 35% TO THE COUNTY ROAD COMMISSIONS OF THIS STATE.

12 (C) 22% TO THE CITIES AND VILLAGES OF THIS STATE.

13 (D) 8% TO THE TOWNSHIPS OF THIS STATE.

14 THE INCREASE IN MOTOR FUEL TAXES AND VEHICLE REGISTRATION FEES  
15 ENACTED IN NOVEMBER 2015 AND EFFECTIVE BEGINNING JANUARY 1, 2017  
16 SHALL BE NULL AND VOID AND SHALL NOT BE CHARGED OR COLLECTED ON OR  
17 AFTER JANUARY 1, 2017. THE LEGISLATURE SHALL IMPLEMENT THIS  
18 PROVISION BY LAW.

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

25 Resolved further, That the foregoing amendment shall be  
26 submitted to the people of the state at a special election to be  
27 held at the same time as the August 2, 2016 regular election in the

1 manner provided by law.