

HOUSE BILL NO. 6134

May 24, 2022, Introduced by Reps. Tisdel, Ellison, Frederick, Kuppa, Hertel, Damoose, Cherry, Sneller, Borton, O'Neal, Steckloff, Roth, Marino, Howell, O'Malley, Markkanen, Yarocho, Hood, Breen, Hope, Brixie, Brann, Weiss, Garza, Sabo, Alexander, LaGrand, Allor and Peterson and referred to the Committee on Appropriations.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2021 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 must 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% must be distributed to cities, villages, and townships

1 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
2 PA 140, MCL 141.901 to 141.921.

3 (3) Sixty percent of the collections of the tax imposed at a
4 rate of 4% must be deposited in the state school aid fund
5 established in section 11 of article IX of the state constitution
6 of 1963 and distributed as provided by law. In addition, all of the
7 collections of the tax imposed at the additional rate of 2%
8 approved by the electors on March 15, 1994 must be deposited in the
9 state school aid fund.

10 (4) Except as otherwise provided in this subsection, not less
11 than 27.9% of 25% of the collections of the general sales tax
12 imposed at a rate of 4% directly or indirectly on fuels sold to
13 propel motor vehicles upon highways, on the sale of motor vehicles,
14 and on the sale of the parts and accessories of motor vehicles by
15 new and used car businesses, used car businesses, accessory dealer
16 businesses, and gasoline station businesses as classified by the
17 department must be deposited each year into the comprehensive
18 transportation fund. For the fiscal year ending September 30, 2021
19 only, the amount deposited into the comprehensive transportation
20 fund under this subsection must be reduced by \$18,000,000.00 and
21 that \$18,000,000.00 must be deposited into the transportation
22 administration collection fund.

23 (5) **Beginning October 15, 2022 and on the fifteenth day of**
24 **every other month thereafter, the department shall deposit at least**
25 **\$90,460,300.00 of the money received and collected from the tax**
26 **imposed at a rate of 4% under this act into the revenue sharing**
27 **trust fund created under section 11a of the Michigan trust fund**
28 **act, 2000 PA 489, MCL 12.261a. The amount deposited under this**
29 **subsection shall be adjusted to include amounts paid to counties**

1 that have been brought back into the revenue sharing formula under
2 section 11 of the Glenn Steil state revenue sharing act of 1971,
3 1971 PA 140, MCL 141.911, since 2019.

4 (6) ~~(5)~~—Beginning October 1, 2016 and the first day of each
5 calendar quarter thereafter, an amount equal to the collections for
6 the calendar quarter that is 2 calendar quarters immediately
7 preceding the current calendar quarter of the tax imposed under
8 this act at the additional rate of 2% approved by the electors on
9 March 15, 1994 from the sale at retail of aviation fuel must be
10 distributed as follows:

11 (a) An amount equal to 35% of the collections of the tax
12 imposed at a rate of 2% on the sale at retail of aviation fuel must
13 be deposited in the state aeronautics fund and must be expended, on
14 appropriation, only for those purposes authorized in the
15 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
16 to 259.208.

17 (b) An amount equal to 65% of the collections of the tax
18 imposed at a rate of 2% on the sale at retail of aviation fuel must
19 be deposited in the qualified airport fund and must be expended, on
20 appropriation, only for those purposes authorized under section 35
21 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL
22 259.35.

23 (7) ~~(6)~~—The department shall, on an annual basis, reconcile
24 the amounts distributed under subsection ~~(5)~~—(6) during each fiscal
25 year with the amounts actually collected for a particular fiscal
26 year and shall make any necessary adjustments, positive or
27 negative, to the amounts to be distributed for the next successive
28 calendar quarter that begins January 1. The state treasurer or his
29 or her designee shall annually provide to the operator of each

1 qualified airport a report of the reconciliation performed under
2 this subsection. The reconciliation report is subject to the
3 confidentiality restrictions and penalties provided in section
4 28(1)(f) of 1941 PA 122, MCL 205.28.

5 **(8)** ~~(7)~~—An amount equal to the collections of the tax imposed
6 at a rate of 4% under this act from the sale at retail of computer
7 software must be deposited in the Michigan health initiative fund
8 created in section 5911 of the public health code, 1978 PA 368, MCL
9 333.5911, and must be considered in addition to, and is not
10 intended as a replacement for any other money appropriated to the
11 department of health and human services. The funds deposited in the
12 Michigan health initiative fund on an annual basis must not be less
13 than \$9,000,000.00 or more than \$12,000,000.00.

14 **(9)** ~~(8)~~—An amount equal to all revenue lost to the state
15 school aid fund as a result of the exemptions under sections
16 4a(1)(u) and 4ee, as determined by the department, must be
17 deposited into the state school aid fund established in section 11
18 of article IX of the state constitution of 1963. Money deposited
19 into the state school aid fund under this subsection must not
20 include and must be considered in addition to money deposited in
21 the state school aid fund under subsection (3). A person that
22 claims an exemption under section 4ee shall report the sales price
23 of the data center equipment as defined in section 4ee and any
24 other information necessary to determine the amount of revenue lost
25 to the state school aid fund as a result of the exemption under
26 section 4ee annually on a form at the time and in a manner
27 prescribed by the department. The report required under this
28 subsection must not include any remittance for tax, and does not
29 constitute a return or otherwise alleviate any obligations under

1 section 6.

2 (10) ~~(9)~~—The balance in the state general fund shall be
3 disbursed only on an appropriation or appropriations by the
4 legislature.

5 (11) ~~(10)~~—As used in this section:

6 (a) "Aviation fuel" means fuel as that term is defined in
7 section 4 of the aeronautics code of the state of Michigan, 1945 PA
8 327, MCL 259.4.

9 (b) "Comprehensive transportation fund" means the
10 comprehensive transportation fund created in section 10b of 1951 PA
11 51, MCL 247.660b.

12 (c) "Qualified airport" means that term as defined in section
13 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
14 MCL 259.109.

15 (d) "Qualified airport fund" means the qualified airport fund
16 created in section 34(2) of the aeronautics code of the state of
17 Michigan, 1945 PA 327, MCL 259.34.

18 (e) "State aeronautics fund" means the state aeronautics fund
19 created in section 34(1) of the aeronautics code of the state of
20 Michigan, 1945 PA 327, MCL 259.34.

21 (f) "Transportation administration collection fund" means the
22 transportation administration collection fund created in section
23 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. ____ or House Bill No. 6133 (request no.
26 02691'21) of the 101st Legislature is enacted into law.