

SENATE BILL NO. 1113

November 14, 2024, Introduced by Senators MCCANN, IRWIN, CHANG, CAVANAGH and MCBROOM and referred to the Committee on Energy and Environment.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 695 (MCL 206.695), as amended by 2023 PA 4.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 695. (1) Except as otherwise provided under this section,
2 the revenue collected under this part ~~shall~~**must** be distributed to
3 the general fund. ~~If the amendatory act that added section 51h~~
4 ~~takes effect before April 18, 2023, then for the 2021-2022 state~~
5 ~~fiscal year only, from the tax levied under this part,~~
6 ~~\$800,000,000.00 of the revenue collected is appropriated and must~~

1 ~~be deposited into the state treasury to the credit of the Michigan~~
 2 ~~taxpayer rebate fund created in section 51h, and the balance of the~~
 3 ~~revenue collected under this part for that state fiscal year shall~~
 4 ~~be deposited to the general fund.~~

5 (2) Beginning with the 2022-2023 state fiscal year through the
 6 2024-2025 state fiscal year, from the tax levied under this part,
 7 the revenue collected under this part ~~shall~~**must** be deposited in
 8 the following manner:

9 (a) Up to \$1,200,000,000.00 to the general fund.

10 (b) After the deposit under subdivision (a), up to
 11 \$50,000,000.00, if available, to the Michigan housing and community
 12 development fund created in section 58a of the state housing
 13 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

14 (c) After the deposits under subdivisions (a) and (b), up to
 15 \$50,000,000.00, if available, to the revitalization and placemaking
 16 fund created in section 696.

17 (d) After the deposits under subdivisions (a), (b), and (c),
 18 up to \$500,000,000.00, if available, to the strategic outreach and
 19 attraction reserve fund created in section 4 of the Michigan trust
 20 fund act, 2000 PA 489, MCL 12.254.

21 (e) The balance of any revenue collected under this part after
 22 the deposits under subdivisions (a), (b), (c), and (d), to the
 23 general fund.

24 (3) ~~Beginning with~~**For** the 2025-2026 state fiscal year **only,**
 25 from the tax levied under this part, **the revenue collected under**
 26 **this part must be deposited in the following manner:**

27 (a) \$50,000,000.00 ~~of the revenue collected under this part~~
 28 ~~shall be deposited~~ to the Michigan housing and community
 29 development fund created in section 58a of the state housing

1 development authority act of 1966, 1966 PA 346, MCL 125.1458a. 7
2 and the

3 (b) After the deposit under subdivision (a), the balance of
4 the revenue collected under this part ~~for that state fiscal year~~
5 ~~shall be deposited~~ to the general fund.

6 (4) Beginning with the 2026-2027 state fiscal year, from the
7 tax levied under this part, the revenue collected under this part
8 must be deposited in the following manner:

9 (a) \$50,000,000.00 to the Michigan housing and community
10 development fund created in section 58a of the state housing
11 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

12 (b) After the deposit under subdivision (a), if available,
13 \$60,000,000.00 to the beverage container handling fund created in
14 section 2b of 1976 IL 1, MCL 445.572b. For each state fiscal year
15 after state fiscal year 2026-2027, the amount under this
16 subdivision must be adjusted annually for inflation using the
17 United States Consumer Price Index.

18 (c) After the deposits under subdivisions (a) and (b), the
19 balance of the revenue collected under this part for that state
20 fiscal year to the general fund.

21 (5) As used in this section, "United States Consumer Price
22 Index" means the United States Consumer Price Index for all urban
23 consumers as defined and reported by the United States Department
24 of Labor, Bureau of Labor Statistics.

25 Enacting section 1. This amendatory act does not take effect
26 unless Senate Bill No. 1112 is enacted into law and approved by a
27 majority of the electors of this state voting on the question at
28 the general election to be held November 3, 2026.