SUBSTITUTE FOR

HOUSE BILL NO. 4025

A bill to amend 1933 PA 167, entitled

"General sales tax act,"

by amending section 25 (MCL 205.75), as amended by 2010 PA 160.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 25. (1) All money received and collected under this act shall be deposited by the department in the state treasury to the credit of the general fund, except as otherwise provided in this section.

(2) Fifteen percent of the collections of the tax imposed at a rate of 4% shall be distributed to cities, villages, and townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(3) Sixty percent of the collections of the tax imposed at a

rate of 4% shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963 and distributed as provided by law. In addition, all of the collections of the tax imposed at the additional rate of 2% approved by the electors March 15, 1994 shall be deposited in the state school aid fund.

(4) For the fiscal year ending September 30, 1988 and each fiscal year ending after September 30, 1988, of the 25% of the collections of the general sales tax imposed at a rate of 4% directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles, and on the sale of the parts and accessories of motor vehicles by new and used car businesses, used car businesses, accessory dealer businesses, and gasoline station businesses as classified by the department of treasury remaining after the allocations and distributions are made pursuant to subsections (2) and (3), the following amounts shall be deposited each year into the respective funds:

(a) For the fiscal year ending September 30, 2003 and for the fiscal year ending September 30, 2006 and each fiscal year ending after September 30, 2006, not less than 27.9% to the comprehensive transportation fund. For the fiscal year ending September 30, 2004 through the fiscal year ending September 30, 2005, not less than 24% to the comprehensive transportation fund. For the fiscal year ending September 30, 2006 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $11,100,000.00. For the fiscal year ending September 30, 2007 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $10,270,000.00. For the fiscal year ending September 30, 2008 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $5,000,000.00 and shall be deposited in the state treasury to the credit of the general fund. For the fiscal year ending September 30, 2010 only, the amount deposited to the comprehensive transportation fund under this subdivision shall be reduced by $5,700,000.00 and shall be deposited in the state treasury to the credit of the general fund.

(b) The balance to the state general fund.

(5) After the allocations and distributions are made pursuant to subsections (2) and (3), an amount equal to the collections of the tax imposed at a rate of 4% under this act from the sale at retail of computer software as defined in section 1a shall be deposited in the Michigan health initiative fund created in section 5911 of the public health code, 1978 PA 368, MCL 333.5911, and shall be considered in addition to, and is not intended as a replacement for any other money appropriated to the department of community health. The funds deposited in the Michigan health initiative fund on an annual basis shall not be less than $9,000,000.00 or more than $12,000,000.00.

(6) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013 ONLY AND EXCEPT AS OTHERWISE LIMITED IN THIS SUBSECTION AFTER THE ALLOCATIONS AND DISTRIBUTIONS ARE MADE PURSUANT TO SUBSECTIONS (2) AND (3), AN AMOUNT EQUAL TO THE COLLECTIONS OF THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT FROM THE SALE AT RETAIL OF AVIATION FUEL AND AVIATION PRODUCTS SHALL BE DEPOSITED IN THE STATE AERONAUTICS

FUND AND SHALL BE EXPENDED, ON APPROPRIATION, ONLY FOR THOSE PURPOSES AUTHORIZED IN THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327, MCL 259.1 TO 259.208. NOT MORE THAN $10,000,000.00 SHALL BE DEPOSITED IN THE STATE AERONAUTICS FUND UNDER THIS SUBSECTION. AS USED IN THIS SUBSECTION, "STATE AERONAUTICS FUND" MEANS THE STATE AERONAUTICS FUND CREATED IN SECTION 34 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327, MCL 259.34.

(7) ~~(6)~~ The balance in the state general fund shall be disbursed only on an appropriation or appropriations by the legislature.