

**SUBSTITUTE FOR
SENATE JOINT RESOLUTION A**

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 transportation purposes.

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 transportation purposes, is proposed, agreed to, and submitted to the people of the state:

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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% of their gross taxable sales of tangible personal property.

Beginning May 1, 1994, the sales tax shall be imposed on

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

9 BEGINNING JANUARY 1, 2015, THE SALES TAX SHALL BE IMPOSED ON
10 RETAILERS AT AN ADDITIONAL RATE OF 1% OF THEIR GROSS TAXABLE SALES
11 OF TANGIBLE PERSONAL PROPERTY NOT EXEMPT BY LAW AND THE USE TAX AT
12 AN ADDITIONAL RATE OF 1%. THE PROCEEDS OF THE SALES AND USE TAXES
13 IMPOSED AT THE ADDITIONAL RATE OF 1% SHALL, AFTER THE PAYMENT OF
14 NECESSARY COLLECTION EXPENSES, BE USED EXCLUSIVELY AS SET FORTH IN
15 THIS PARAGRAPH. NOT LESS THAN 90% OF THE PROCEEDS OF THE SALES AND
16 USE TAXES IMPOSED AT THE ADDITIONAL RATE OF 1% SHALL, AFTER THE
17 PAYMENT OF NECESSARY COLLECTION EXPENSES, BE USED EXCLUSIVELY FOR
18 THE TRANSPORTATION PURPOSES OF PLANNING, ADMINISTERING,
19 CONSTRUCTING, RECONSTRUCTING, FINANCING, AND MAINTAINING STATE,
20 COUNTY, CITY, AND VILLAGE ROADS, STREETS, AND BRIDGES DESIGNED
21 PRIMARILY FOR THE USE OF MOTOR VEHICLES USING TIRES, AND REASONABLE
22 APPURTENANCES TO THOSE STATE, COUNTY, CITY, AND VILLAGE ROADS,
23 STREETS, AND BRIDGES. THE BALANCE, IF ANY, OF THE PROCEEDS OF THE
24 SALES AND USE TAXES IMPOSED AT THE ADDITIONAL RATE OF 1%, AFTER THE
25 PAYMENT OF NECESSARY COLLECTION EXPENSES, SHALL BE USED EXCLUSIVELY
26 FOR THE TRANSPORTATION PURPOSES OF COMPREHENSIVE TRANSPORTATION
27 PURPOSES AS DEFINED BY LAW. THE LEGISLATURE MAY AUTHORIZE THE

Senate Joint Resolution A as amended June 11, 2014

1 INCURRENCE OF INDEBTEDNESS AND THE ISSUANCE OF OBLIGATIONS PLEDGING
2 THE PROCEEDS OF THE SALES AND USE TAXES IMPOSED AT THE ADDITIONAL
3 RATE OF 1% ALLOCATED OR AUTHORIZED TO BE ALLOCATED BY THIS
4 PARAGRAPH, WHICH OBLIGATIONS SHALL NOT BE CONSTRUED TO BE EVIDENCES
5 OF STATE INDEBTEDNESS UNDER THIS CONSTITUTION. <<THE ALLOCATION OF
SALES TAX REVENUE REQUIRED OR AUTHORIZED BY SECTIONS 9, 10, AND 11
OF THIS ARTICLE DOES NOT APPLY TO THE REVENUE FROM THE SALES TAX
IMPOSED AT THE ADDITIONAL RATE OF 1% UNDER THIS PARAGRAPH.>>

6 No sales tax or use tax shall be charged or collected from and
7 after January 1, 1975 on the sale or use of prescription drugs for
8 human use, or on the sale or use of food for human consumption
9 except in the case of prepared food intended for immediate
10 consumption as defined by law. This provision shall not apply to
11 alcoholic beverages.

12 Resolved further, That the foregoing amendment shall be
13 submitted to the people of the state at the next general election
14 in the manner provided by law.