

**SUBSTITUTE FOR  
HOUSE BILL NO. 5492**

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending section 21 (MCL 205.111), as amended by 2010 PA 37.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 21. (1) Except as provided in subsections (2), ~~and (3),~~  
2       **(4), AND (5),** all money received and collected under this act shall  
3       be deposited by the department of treasury in the state treasury to  
4       the credit of the general fund, to be disbursed only by  
5       appropriations by the legislature.

6       (2) The collections from the use tax imposed at the additional  
7       rate of 2% approved by the electors March 15, 1994 shall be  
8       deposited in the state school aid fund established in section 11 of  
9       article IX of the state constitution of 1963.

~~1 (3) For the fiscal year ending September 30, 2010 only,~~  
~~2 \$9,500,000.00 shall be deposited by the department of treasury into~~  
~~3 the Michigan promotion fund. As used in this subsection, "Michigan~~  
~~4 promotion fund" means the fund created in section 39 of the~~  
~~5 Michigan strategic fund act, 1984 PA 270, MCL 125.2039.~~

6 (3) FROM THE MONEY RECEIVED AND COLLECTED UNDER THIS ACT FOR  
7 THE STATE SHARE, AN AMOUNT EQUAL TO ALL REVENUE LOST UNDER THE  
8 STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, AND  
9 ALL REVENUE LOST FROM BASIC SCHOOL OPERATING MILLS AS A RESULT OF  
10 THE EXEMPTION OF PERSONAL PROPERTY UNDER SECTIONS 9M, 9N, AND 9O OF  
11 THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.9M, 211.9N, AND  
12 211.9O, AS DETERMINED BY THE DEPARTMENT, SHALL BE DEPOSITED INTO  
13 THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX  
14 OF THE STATE CONSTITUTION OF 1963. FUNDS DEPOSITED INTO THE STATE  
15 SCHOOL AID FUND UNDER THIS SUBSECTION SHALL NOT INCLUDE THE PORTION  
16 OF THE STATE SHARE OF THE USE TAX IMPOSED AT THE ADDITIONAL RATE OF  
17 2% APPROVED BY THE ELECTORS OF THIS STATE ON MARCH 15, 1994 AND  
18 DEDICATED FOR AID TO SCHOOLS UNDER SUBSECTION (2).

19 (4) MONEY RECEIVED AND COLLECTED UNDER THIS ACT FOR THE LOCAL  
20 COMMUNITY STABILIZATION SHARE IS NOT STATE FUNDS, SHALL NOT BE  
21 CREDITED TO THE STATE TREASURY, AND SHALL BE TRANSMITTED TO THE  
22 AUTHORITY FOR DEPOSIT IN THE TREASURY OF THE AUTHORITY, TO BE  
23 DISBURSED BY THE AUTHORITY ONLY AS AUTHORIZED UNDER THE LOCAL  
24 COMMUNITY STABILIZATION AUTHORITY ACT. THE LOCAL COMMUNITY  
25 STABILIZATION SHARE IS A LOCAL TAX, NOT A STATE TAX, AND MONEY  
26 RECEIVED AND COLLECTED FOR THE LOCAL COMMUNITY STABILIZATION SHARE  
27 IS MONEY OF THE AUTHORITY AND NOT MONEY OF THIS STATE.

1           (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015 AND EACH  
2 FISCAL YEAR THEREAFTER, FROM THE MONEY RECEIVED AND COLLECTED UNDER  
3 THIS ACT REMAINING AFTER THE DISTRIBUTIONS UNDER SUBSECTIONS (2)  
4 AND (3), AN AMOUNT EQUAL TO 50% OF THE AMOUNT DEPOSITED IN THE  
5 SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE  
6 STATE CONSTITUTION OF 1963 UNDER SUBSECTION (2) SHALL BE  
7 DISTRIBUTED TO THE STATE TRUNK LINE FUND, COUNTY ROAD COMMISSIONS,  
8 AND THE CITIES AND VILLAGES OF THIS STATE, IN THE SAME PERCENTAGES  
9 DESCRIBED IN SECTION 10(1)(J) OF 1951 PA 51, MCL 247.660, AND SHALL  
10 BE USED FOR THE PURPOSES PROVIDED IN 1951 PA 51, MCL 247.651 TO  
11 247.675.

12           Enacting section 1. It is the intent of the Legislature that  
13 the distribution of money received and collected under the use tax  
14 act, 1937 PA 94, MCL 205.91 to 205.111, provided for in section  
15 21(5) of the use tax act, 1937 PA 94, MCL 205.111, as added by this  
16 amendatory act, shall apply only to the state share of the money  
17 received and collected under the use tax act, 1937 PA 94, MCL  
18 205.91 to 205.111, as described in section 3 of the use tax act,  
19 1937 PA 94, MCL 205.93, and shall take place after distributions of  
20 money received and collected under the use tax act, 1937 PA 94, MCL  
21 205.91 to 205.111, to the state school aid fund as provided in  
22 section 21(2) and (3) of the use tax act, 1937 PA 94, MCL 205.111.

23           Enacting section 2. This amendatory act takes effect January  
24 2, 2015.