

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 822**

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending sections 3, 19, and 21 (MCL 205.93, 205.109, and  
205.111), section 3 as amended by 2007 PA 103, section 19 as added  
by 2004 PA 172, and section 21 as amended by 2010 PA 37, and by  
adding sections 2c and 10a.

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

1       **SEC. 2C. AS USED IN THIS ACT:**

2       **(A) "AUTHORITY" MEANS THE LOCAL COMMUNITY STABILIZATION**  
3       **AUTHORITY CREATED UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY**  
4       **ACT.**

5       **(B) "BASIC SCHOOL OPERATING MILLS" MEANS SCHOOL OPERATING**  
6       **MILLS USED TO CALCULATE THE STATE PORTION OF A LOCAL SCHOOL**  
7       **DISTRICT'S FOUNDATION ALLOWANCE UNDER SECTION 20 OF THE STATE**

1 SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1620, AND LEVIED UNDER  
2 SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211,  
3 BY A LOCAL SCHOOL DISTRICT THAT RECEIVES FROM THIS STATE A PORTION  
4 OF ITS FOUNDATION ALLOWANCE, AS CALCULATED UNDER SECTION 20(4) OF  
5 THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1620.

6 (C) "LOCAL COMMUNITY STABILIZATION SHARE" MEANS THE LOCAL  
7 COMMUNITY STABILIZATION SHARE TAX DESCRIBED IN SECTION 3(5),  
8 AUTHORIZED BY THE AMENDATORY ACT THAT ADDED THIS SECTION, AND  
9 INCLUDED IN THE SPECIFIC TAX LEVIED UNDER SECTION 3(1).

10 (D) "PERSONAL PROPERTY GROWTH FACTOR" MEANS THE AVERAGE ANNUAL  
11 GROWTH RATE FOR INDUSTRIAL AND COMMERCIAL PERSONAL PROPERTY TAXABLE  
12 VALUE FROM 1996 THROUGH 2012 ROUNDED UP TO THE NEAREST TENTH OF A  
13 PERCENT, WHICH IS 1.0%.

14 (E) "STATE FISCAL YEAR" MEANS THE ANNUAL PERIOD FISCAL  
15 BEGINNING ON OCTOBER 1 OF EACH YEAR AND ENDING ON SEPTEMBER 30 IN  
16 THE IMMEDIATELY SUCCEEDING YEAR.

17 (F) "STATE SHARE" MEANS THE STATE SHARE TAX DESCRIBED IN  
18 SECTION 3(5) AND INCLUDED IN THE SPECIFIC TAX LEVIED UNDER SECTION  
19 3(1).

20 Sec. 3. (1) There is levied upon and there shall be collected  
21 from every person in this state a specific tax, **INCLUDING BOTH THE**  
22 **LOCAL COMMUNITY STABILIZATION SHARE AND THE STATE SHARE**, for the  
23 privilege of using, storing, or consuming tangible personal  
24 property in this state at a **TOTAL COMBINED** rate equal to 6% of the  
25 price of the property or services specified in section 3a or 3b.  
26 The tax levied under this act applies to a person who acquires  
27 tangible personal property or services that are subject to the tax

1 levied under this act for any tax-exempt use who subsequently  
2 converts the tangible personal property or service to a taxable  
3 use, including an interim taxable use. If tangible personal  
4 property or services are converted to a taxable use, the tax levied  
5 under this act shall be imposed without regard to any subsequent  
6 tax-exempt use. Penalties and interest shall be added to the tax if  
7 applicable as provided in this act. For the purpose of the proper  
8 administration of this act and to prevent the evasion of the tax,  
9 all of the following shall be presumed:

10 (a) That tangible personal property purchased is subject to  
11 the tax if brought into this state within 90 days of the purchase  
12 date and is considered as acquired for storage, use, or other  
13 consumption in this state.

14 (b) That tangible personal property used solely for personal,  
15 nonbusiness purposes that is purchased outside of this state and  
16 that is not an aircraft is exempt from the tax levied under this  
17 act if 1 or more of the following conditions are satisfied:

18 (i) The property is purchased by a person who is not a resident  
19 of this state at the time of purchase and is brought into this  
20 state more than 90 days after the date of purchase.

21 (ii) The property is purchased by a person who is a resident of  
22 this state at the time of purchase and is brought into this state  
23 more than 360 days after the date of purchase.

24 (2) The tax imposed by this section for the privilege of  
25 using, storing, or consuming a vehicle, ORV, manufactured housing,  
26 aircraft, snowmobile, or watercraft shall be collected before the  
27 transfer of the vehicle, ORV, manufactured housing, aircraft,

1 snowmobile, or watercraft, except a transfer to a licensed dealer  
2 or retailer for purposes of resale that arises by reason of a  
3 transaction made by a person who does not transfer vehicles, ORVs,  
4 manufactured housing, aircraft, snowmobiles, or watercraft in the  
5 ordinary course of his or her business done in this state. The tax  
6 on a vehicle, ORV, snowmobile, and watercraft shall be collected by  
7 the secretary of state before the transfer of the vehicle, ORV,  
8 snowmobile, or watercraft registration. The tax on manufactured  
9 housing shall be collected by the department of ~~consumer and~~  
10 ~~industry services~~ **LICENSING AND REGULATORY AFFAIRS**, mobile home  
11 commission, or its agent before the transfer of the certificate of  
12 title. The tax on an aircraft shall be collected by the department  
13 of treasury. The price tax base of a new or previously owned car or  
14 truck held for resale by a dealer and that is not exempt under  
15 section 4(1)(c) is the purchase price of the car or truck  
16 multiplied by 2.5% plus \$30.00 per month beginning with the month  
17 that the dealer uses the car or truck in a nonexempt manner.

18 (3) The following transfers or purchases are not subject to  
19 use tax:

20 (a) A transaction or a portion of a transaction if the  
21 transferee or purchaser is the spouse, mother, father, brother,  
22 sister, child, stepparent, stepchild, stepbrother, stepsister,  
23 grandparent, grandchild, legal ward, or a legally appointed  
24 guardian with a certified letter of guardianship, of the  
25 transferor.

26 (b) A transaction or a portion of a transaction if the  
27 transfer is a gift to a beneficiary in the administration of an

1 estate.

2 (c) If a vehicle, ORV, manufactured housing, aircraft,  
3 snowmobile, or watercraft that has once been subjected to the  
4 Michigan sales or use tax is transferred in connection with the  
5 organization, reorganization, dissolution, or partial liquidation  
6 of an incorporated or unincorporated business and the beneficial  
7 ownership is not changed.

8 (d) If an insurance company licensed to conduct business in  
9 this state acquires ownership of a late model distressed vehicle as  
10 defined in section 12a of the Michigan vehicle code, 1949 PA 300,  
11 MCL 257.12a, through payment of damages in response to a claim or  
12 when the person who owned the vehicle before the insurance company  
13 reacquires ownership from the company as part of the settlement of  
14 a claim.

15 (4) The department may utilize the services, information, or  
16 records of any other department or agency of state government **OR OF**  
17 **THE AUTHORITY** in the performance of its duties under this act, and  
18 other departments or agencies of state government **AND THE AUTHORITY**  
19 are required to furnish those services, information, or records  
20 upon the request of the department.

21 ~~(5) Any decrease in the rate of the tax levied under~~  
22 ~~subsection (1) on services subject to tax under this act shall~~  
23 ~~apply only to billings rendered on or after the effective date of~~  
24 ~~the decrease.~~**BEGINNING ON OCTOBER 1, 2015, THE SPECIFIC TAX LEVIED**  
25 **UNDER SUBSECTION (1) INCLUDES BOTH A STATE SHARE TAX LEVIED BY THIS**  
26 **STATE AND A LOCAL COMMUNITY STABILIZATION SHARE TAX AUTHORIZED BY**  
27 **THE AMENDATORY ACT THAT ADDED SECTION 2C AND LEVIED BY THE**

1 AUTHORITY, WHICH REPLACES THE REDUCED STATE SHARE AT THE FOLLOWING  
2 RATES IN EACH OF THE FOLLOWING STATE FISCAL YEARS:

3 (A) FOR FISCAL YEAR 2015-2016, THE LOCAL COMMUNITY  
4 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
5 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
6 AUTHORITY SUFFICIENT TO GENERATE \$96,100,000.00 IN REVENUE AND THE  
7 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
8 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

9 (B) FOR FISCAL YEAR 2016-2017, THE LOCAL COMMUNITY  
10 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
11 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
12 AUTHORITY SUFFICIENT TO GENERATE \$380,600,000.00 IN REVENUE AND THE  
13 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
14 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

15 (C) FOR FISCAL YEAR 2017-2018, THE LOCAL COMMUNITY  
16 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
17 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
18 AUTHORITY SUFFICIENT TO GENERATE \$410,500,000.00 IN REVENUE AND THE  
19 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
20 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

21 (D) FOR FISCAL YEAR 2018-2019, THE LOCAL COMMUNITY  
22 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
23 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
24 AUTHORITY SUFFICIENT TO GENERATE \$437,700,000.00 IN REVENUE AND THE  
25 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
26 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

27 (E) FOR FISCAL YEAR 2019-2020, THE LOCAL COMMUNITY

1 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
2 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
3 AUTHORITY SUFFICIENT TO GENERATE \$465,900,000.00 IN REVENUE AND THE  
4 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
5 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

6 (F) FOR FISCAL YEAR 2020-2021, THE LOCAL COMMUNITY  
7 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
8 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
9 AUTHORITY SUFFICIENT TO GENERATE \$491,500,000.00 IN REVENUE AND THE  
10 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
11 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

12 (G) FOR FISCAL YEAR 2021-2022, THE LOCAL COMMUNITY  
13 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
14 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
15 AUTHORITY SUFFICIENT TO GENERATE \$521,300,000.00 IN REVENUE AND THE  
16 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
17 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

18 (H) FOR FISCAL YEAR 2022-2023, THE LOCAL COMMUNITY  
19 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
20 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
21 AUTHORITY SUFFICIENT TO GENERATE \$548,000,000.00 IN REVENUE AND THE  
22 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
23 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

24 (I) FOR FISCAL YEAR 2023-2024, THE LOCAL COMMUNITY  
25 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
26 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
27 AUTHORITY SUFFICIENT TO GENERATE \$561,700,000.00 IN REVENUE AND THE

1 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
2 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

3 (J) FOR FISCAL YEAR 2024-2025, THE LOCAL COMMUNITY  
4 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
5 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
6 AUTHORITY SUFFICIENT TO GENERATE \$569,800,000.00 IN REVENUE AND THE  
7 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
8 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

9 (K) FOR FISCAL YEAR 2025-2026, THE LOCAL COMMUNITY  
10 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
11 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
12 AUTHORITY SUFFICIENT TO GENERATE \$571,400,000.00 IN REVENUE AND THE  
13 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
14 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

15 (L) FOR FISCAL YEAR 2026-2027, THE LOCAL COMMUNITY  
16 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
17 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
18 AUTHORITY SUFFICIENT TO GENERATE \$572,200,000.00 IN REVENUE AND THE  
19 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
20 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

21 (M) FOR FISCAL YEAR 2027-2028, THE LOCAL COMMUNITY  
22 STABILIZATION SHARE TAX RATE TO BE LEVIED BY THE AUTHORITY IS THAT  
23 RATE CALCULATED BY THE DEPARTMENT OF TREASURY ON BEHALF OF THE  
24 AUTHORITY SUFFICIENT TO GENERATE \$572,600,000.00 IN REVENUE AND THE  
25 STATE SHARE TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE  
26 LOCAL COMMUNITY STABILIZATION SHARE TAX RATE FROM 6%.

27 (N) FOR FISCAL YEAR 2028-2029 AND EACH FISCAL YEAR THEREAFTER,



1 THE LOCAL COMMUNITY STABILIZATION SHARE TAX RATE TO BE LEVIED BY  
2 THE AUTHORITY IS THAT RATE CALCULATED BY THE DEPARTMENT OF TREASURY  
3 ON BEHALF OF THE AUTHORITY SUFFICIENT TO GENERATE THE AMOUNT  
4 DISTRIBUTED UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING YEAR  
5 ADJUSTED BY THE PERSONAL PROPERTY GROWTH FACTOR AND THE STATE SHARE  
6 TAX RATE IS THAT RATE DETERMINED BY SUBTRACTING THE LOCAL COMMUNITY  
7 STABILIZATION SHARE TAX RATE FROM 6%.

8 (6) THE STATE SHARE INCLUDES THE PORTION OF THE USE TAX  
9 IMPOSED AT THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS OF  
10 THIS STATE ON MARCH 15, 1994 AND DEDICATED FOR AID TO SCHOOLS UNDER  
11 SECTION 21(2). THE LOCAL COMMUNITY STABILIZATION SHARE DOES NOT  
12 INCLUDE THE PORTION OF THE USE TAX IMPOSED AT THE ADDITIONAL RATE  
13 OF 2% APPROVED BY THE ELECTORS OF THIS STATE ON MARCH 15, 1994.

14 (7) THE TOTAL COMBINED RATE OF THE TAX LEVIED BY THIS STATE  
15 AND THE AUTHORITY UNDER THIS ACT, INCLUDING BOTH THE STATE SHARE,  
16 AS REDUCED BY THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, AND  
17 THE LOCAL COMMUNITY STABILIZATION SHARE, SHALL NOT EXCEED THE  
18 CONSTITUTIONAL LIMIT OF 6% UNDER SECTION 8 OF ARTICLE IX OF THE  
19 STATE CONSTITUTION OF 1963. THE AUTHORITY SHALL NOT INCREASE ANY  
20 TAX OR TAX RATE, BUT IS AUTHORIZED TO AND SHALL LEVY THE LOCAL  
21 COMMUNITY STABILIZATION SHARE AT THE RATE PROVIDED IN SUBSECTION  
22 (5).

23 SEC. 10A. THE DEPARTMENT SHALL ADMINISTER UNDER THIS ACT AND  
24 UNDER 1941 PA 122, MCL 205.1 TO 205.31, THE RECEIPT AND COLLECTION  
25 OF THE LOCAL COMMUNITY STABILIZATION SHARE ON BEHALF OF THE  
26 AUTHORITY AS AN AGENT OF THE AUTHORITY. THE DEPARTMENT MAY ENTER  
27 INTO AN AGREEMENT WITH THE AUTHORITY RELATING TO THE RECEIPT AND

1 COLLECTION OF THE LOCAL COMMUNITY STABILIZATION SHARE AND THE  
2 PAYMENT OF AUTHORITY REVENUE GENERATED BY THE LOCAL COMMUNITY  
3 STABILIZATION SHARE TO THE AUTHORITY, WHICH IS DEDICATED TO LOCAL  
4 PURPOSES, INCLUDING, BUT NOT LIMITED TO, POLICE SAFETY, FIRE  
5 PROTECTION, AND AMBULANCE EMERGENCY SERVICES.

6 Sec. 19. (1) The tax collected by the seller from the consumer  
7 or lessee under this act is for the benefit of this state, ~~and a~~  
8 THE AUTHORITY, AND THE METROPOLITAN AREAS OF THIS STATE, INCLUDING,  
9 BUT NOT LIMITED TO, LOCAL COMMUNITIES WITHIN THE METROPOLITAN  
10 AREAS. A person other than this state, THE AUTHORITY, AND THE  
11 METROPOLITAN AREAS OF THIS STATE shall not derive a benefit from  
12 the collection or payment of this tax.

13 (2) THE LEGISLATURE FINDS AND DECLARES THAT THE PURPOSE OF THE  
14 AMENDATORY ACT THAT ADDED THIS SUBSECTION IS MODERNIZING THE TAX  
15 SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS IN THIS STATE.

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

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

25 ~~—— (3) For the fiscal year ending September 30, 2010 only,~~  
26 ~~\$9,500,000.00 shall be deposited by the department of treasury into~~  
27 ~~the Michigan promotion fund. As used in this subsection, "Michigan~~

~~promotion fund" means the fund created in section 39 of the  
Michigan strategic fund act, 1984 PA 270, MCL 125.2039.~~

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

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

Enacting section 1. This amendatory act does not take effect unless approved by a majority of the registered and qualified electors of this state voting on the question at an election to be

1 held on the August regular election date in 2014. Except as  
2 otherwise provided in this enacting section, this amendatory act  
3 shall be submitted to the registered and qualified electors of this  
4 state at that election as provided by the Michigan election law,  
5 1954 PA 116, MCL 168.1 to 168.992, and for the purpose of complying  
6 with section 31 of article IX of the state constitution of 1963.

7 Notwithstanding other law, when submitted to the registered and  
8 qualified electors of this state, this amendatory act shall be  
9 presented with the following question:

10 "APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX  
11 AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE  
12 THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

13 The amendatory act adopted by the Legislature would:

14 1. Reduce the state use tax and replace with a local community  
15 stabilization share of the tax for the purpose of modernizing the  
16 tax system to help small businesses grow and create jobs in  
17 Michigan.

18 2. Require Local Community Stabilization Authority to provide  
19 revenue to local governments dedicated for local purposes,  
20 including police safety, fire protection, and ambulance emergency  
21 services.

22 3. Increase portion of state use tax dedicated for aid to  
23 local school districts.

24 4. Prohibit Authority from increasing taxes.

25 5. Prohibit total use tax rate from exceeding existing  
26 constitutional 6% limitation.

27 Should this law be approved?

1 YES [ ]

2 NO [ ]".

3 Enacting section 2. If approved by the registered and  
4 qualified electors of this state as provided in enacting section 1,  
5 this amendatory act takes effect January 1, 2015.