

SUBSTITUTE FOR
SENATE BILL NO. 614

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 21 (MCL 205.111), as amended by 2014 PA 80, and
by adding section 6c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 6C. (1) BEGINNING APRIL 1, 2016 AND EACH CALENDAR QUARTER
2 THEREAFTER, EVERY PERSON STORING, USING, OR CONSUMING AVIATION
3 FUEL, THE STORAGE, USE, OR CONSUMPTION OF WHICH IS SUBJECT TO THE
4 TAX IMPOSED BY THIS ACT WHEN THE TAX WAS NOT PAID TO A SELLER, AND
5 EVERY SELLER COLLECTING THE TAX FROM THE PURCHASER FROM SALES OF
6 AVIATION FUEL SHALL, ON OR BEFORE THE LAST DAY OF THE MONTH IN THE
7 MONTH THAT IMMEDIATELY FOLLOWS THE END OF A CALENDAR QUARTER, FILE
8 AN INFORMATIONAL REPORT WITH THE DEPARTMENT ON A FORM PRESCRIBED BY
9 THE DEPARTMENT SHOWING ALL OF THE FOLLOWING FOR THE IMMEDIATELY

1 PRECEDING CALENDAR QUARTER:

2 (A) THE ENTIRE AMOUNT OF TAXABLE AVIATION FUEL SOLD OR
3 PURCHASED BY THE PERSON, AS APPLICABLE.

4 (B) THE AMOUNT OF TAX FOR WHICH THE PERSON IS LIABLE FROM THE
5 PURCHASE OR SALE OF AVIATION FUEL.

6 (C) THE NUMBER OF TAXABLE GALLONS OF AVIATION FUEL SOLD OR
7 PURCHASED BY THE PERSON, AS APPLICABLE, AT EACH AIRPORT AND THE
8 GROSS PROCEEDS FROM THE SALES OR PURCHASE OF THOSE GALLONS OF
9 AVIATION FUEL, AS APPLICABLE.

10 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
11 FOR THE PROPER ADMINISTRATION OF THIS ACT.

12 (2) THE REPORT REQUIRED UNDER THIS SECTION SHALL NOT INCLUDE
13 ANY REMITTANCE FOR TAX AND DOES NOT CONSTITUTE A RETURN OR
14 OTHERWISE ALLEVIATE THE PERSON'S OBLIGATIONS UNDER SECTION 6.

15 (3) A PERSON REQUIRED TO FILE THE INFORMATIONAL REPORT UNDER
16 THIS SECTION THAT FAILS OR REFUSES TO FILE THE INFORMATIONAL REPORT
17 WITHIN THE TIME AND IN THE MANNER SPECIFIED IN THIS SECTION SHALL
18 BE LIABLE FOR A PENALTY OF \$10.00 PER DAY FOR EACH DAY FOR EACH
19 SEPARATE FAILURE OR REFUSAL UP TO, BUT NOT EXCEEDING, A MAXIMUM
20 PENALTY OF \$500.00 FOR EACH SEPARATE VIOLATION. THE DEPARTMENT MAY
21 WAIVE THE PENALTY IF THE TAXPAYER DEMONSTRATES TO THE SATISFACTION
22 OF THE DEPARTMENT THAT THE FAILURE TO FILE WAS DUE TO REASONABLE
23 CAUSE.

24 (4) AS USED IN THIS SECTION, "AVIATION FUEL" MEANS FUEL AS
25 THAT TERM IS DEFINED IN SECTION 4 OF THE AERONAUTICS CODE OF THE
26 STATE OF MICHIGAN, 1945 PA 327, MCL 259.4.

27 Sec. 21. (1) Except as provided in subsections (2), (3), and

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

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

9 (3) From the money received and collected under this act for
10 the state share, an amount equal to all revenue lost under the
11 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
12 all revenue lost from basic school operating mills as a result of
13 the exemption of personal property under sections 9m, 9n, and 9o of
14 the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and
15 211.9o, as determined by the department, shall be deposited into
16 the state school aid fund established by section 11 of article IX
17 of the state constitution of 1963. Funds deposited into the state
18 school aid fund under this subsection shall not include the portion
19 of the state share of the use tax imposed at the additional rate of
20 2% approved by the electors of this state on March 15, 1994 and
21 dedicated for aid to schools under subsection (2).

22 (4) Money received and collected under this act for the local
23 community stabilization share is not state funds, shall not be
24 credited to the state treasury, and shall be transmitted to the
25 authority for deposit in the treasury of the authority, to be
26 disbursed by the authority only as authorized under the local
27 community stabilization authority act. The local community

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1 stabilization share is a local tax, not a state tax, and money
2 received and collected for the local community stabilization share
3 is money of the authority and not money of this state.

4 (5) BEGINNING OCTOBER 1, 2016 AND THE FIRST DAY OF EACH
5 CALENDAR QUARTER THEREAFTER, FROM THE MONEY RECEIVED AND COLLECTED
6 UNDER THIS ACT FOR THE STATE SHARE, AN AMOUNT EQUAL TO THE
7 COLLECTIONS FOR THE CALENDAR QUARTER THAT IS 2 CALENDAR QUARTERS
8 IMMEDIATELY PRECEDING THE CURRENT CALENDAR QUARTER OF THE TAX
9 IMPOSED UNDER THIS ACT AT THE ADDITIONAL RATE OF 2% APPROVED BY THE
10 ELECTORS ON MARCH 15, 1994 FROM THE USE, STORAGE, OR CONSUMPTION OF
11 AVIATION FUEL SHALL BE DISTRIBUTED AS FOLLOWS:

12 (A) AN AMOUNT EQUAL TO 35% OF THE COLLECTIONS OF THE TAX
13 IMPOSED AT A RATE OF 2% ON THE USE, STORAGE, OR CONSUMPTION OF
14 AVIATION FUEL SHALL BE DEPOSITED IN THE STATE AERONAUTICS FUND AND
15 SHALL BE EXPENDED, ON APPROPRIATION, ONLY FOR THOSE PURPOSES
16 AUTHORIZED IN THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945
17 PA 327, MCL 259.1 TO 259.208.

18 (B) AN AMOUNT EQUAL TO 65% OF THE COLLECTIONS OF THE TAX
19 IMPOSED AT A RATE OF 2% ON THE USE, STORAGE, OR CONSUMPTION OF
20 AVIATION FUEL SHALL BE DEPOSITED IN THE QUALIFIED AIRPORT FUND AND
21 SHALL BE EXPENDED, ON APPROPRIATION, ONLY FOR THOSE PURPOSES
22 AUTHORIZED UNDER SECTION [35] OF THE AERONAUTICS CODE OF THE STATE
23 OF MICHIGAN, 1945 PA 327, MCL 259.35.

24 (6) THE DEPARTMENT SHALL, ON AN ANNUAL BASIS, RECONCILE THE
25 AMOUNTS DISTRIBUTED UNDER SUBSECTION (5) DURING EACH FISCAL YEAR
26 WITH THE AMOUNTS ACTUALLY COLLECTED FOR A PARTICULAR FISCAL YEAR
27 AND SHALL MAKE ANY NECESSARY ADJUSTMENTS, POSITIVE OR NEGATIVE, TO

1 THE AMOUNTS TO BE DISTRIBUTED FOR THE NEXT SUCCESSIVE CALENDAR
2 QUARTER THAT BEGINS JANUARY 1. THE STATE TREASURER OR HIS OR HER
3 DESIGNEE SHALL ANNUALLY PROVIDE TO THE OPERATOR OF EACH QUALIFIED
4 AIRPORT A REPORT OF THE RECONCILIATION PERFORMED UNDER THIS
5 SUBSECTION. THE RECONCILIATION REPORT IS SUBJECT TO THE
6 CONFIDENTIALITY RESTRICTIONS AND PENALTIES PROVIDED IN SECTION
7 28(1)(F) OF 1941 PA 122, MCL 205.28.

8 (7) AS USED IN THIS SECTION:

9 (A) "AVIATION FUEL" MEANS FUEL AS THAT TERM IS DEFINED IN
10 SECTION 4 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA
11 327, MCL 259.4.

12 (B) "QUALIFIED AIRPORT" MEANS THAT TERM AS DEFINED IN SECTION
13 109 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327,
14 MCL 259.109.

15 (C) "QUALIFIED AIRPORT FUND" MEANS THE QUALIFIED AIRPORT FUND
16 CREATED IN SECTION 34(2) OF THE AERONAUTICS CODE OF THE STATE OF
17 MICHIGAN, 1945 PA 327, MCL 259.34.

18 (D) "STATE AERONAUTICS FUND" MEANS THE STATE AERONAUTICS FUND
19 CREATED IN SECTION 34(1) OF THE AERONAUTICS CODE OF THE STATE OF
20 MICHIGAN, 1945 PA 327, MCL 259.34.

21 Enacting section 1. This amendatory act takes effect 90 days
22 after the date it is enacted into law.

23 Enacting section 2. This amendatory act does not take effect
24 unless all of the following bills of the 98th Legislature are
25 enacted into law:

26 (a) Senate Bill No. 418.

27 (b) Senate Bill No. 425.

- 1 (c) Senate Bill No. 426.
- 2 (d) Senate Bill No. 612.
- 3 (e) Senate Bill No. 613.