

**SUBSTITUTE FOR
HOUSE BILL NO. 5187**

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2015 PA 262.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% ~~shall~~**must** be distributed to cities, villages, and
7 townships pursuant to the Glenn Steil state revenue sharing act of
8 1971, 1971 PA 140, MCL 141.901 to 141.921.

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



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

7 (4) Not less than 27.9% of 25% of the collections of the
 8 general sales tax imposed at a rate of 4% directly or indirectly on
 9 fuels sold to propel motor vehicles upon highways, on the sale of
 10 motor vehicles, and on the sale of the parts and accessories of
 11 motor vehicles by new and used car businesses, used car businesses,
 12 accessory dealer businesses, and gasoline station businesses as
 13 classified by the department ~~shall~~**must** be deposited each year into
 14 the comprehensive transportation fund created in section 10b of
 15 1951 PA 51, MCL 247.660b.

16 (5) Beginning October 1, 2016 and the first day of each
 17 calendar quarter thereafter, an amount equal to the collections for
 18 the calendar quarter that is 2 calendar quarters immediately
 19 preceding the current calendar quarter of the tax imposed under
 20 this act at the additional rate of 2% approved by the electors on
 21 March 15, 1994 from the sale at retail of aviation fuel ~~shall~~**must**
 22 be distributed as follows:

23 (a) An amount equal to 35% of the collections of the tax
 24 imposed at a rate of 2% on the sale at retail of aviation fuel
 25 ~~shall~~**must** be deposited in the state aeronautics fund and ~~shall~~
 26 **must** be expended, on appropriation, only for those purposes
 27 authorized in the aeronautics code of the state of Michigan, 1945
 28 PA 327, MCL 259.1 to 259.208.

29 (b) An amount equal to 65% of the collections of the tax



1 imposed at a rate of 2% on the sale at retail of aviation fuel
2 ~~shall must~~ be deposited in the qualified airport fund and ~~shall~~
3 **must** be expended, on appropriation, only for those purposes
4 authorized under section 35 of the aeronautics code of the state of
5 Michigan, 1945 PA 327, MCL 259.35.

6 (6) The department shall, on an annual basis, reconcile the
7 amounts distributed under subsection (5) during each fiscal year
8 with the amounts actually collected for a particular fiscal year
9 and shall make any necessary adjustments, positive or negative, to
10 the amounts to be distributed for the next successive calendar
11 quarter that begins January 1. The state treasurer or his or her
12 designee shall annually provide to the operator of each qualified
13 airport a report of the reconciliation performed under this
14 subsection. The reconciliation report is subject to the
15 confidentiality restrictions and penalties provided in section
16 28(1)(f) of 1941 PA 122, MCL 205.28.

17 (7) An amount equal to the collections of the tax imposed at a
18 rate of 4% under this act from the sale at retail of computer
19 software ~~as defined in section 1a shall~~ **must** be deposited in the
20 Michigan health initiative fund created in section 5911 of the
21 public health code, 1978 PA 368, MCL 333.5911, and ~~shall must~~ be
22 considered in addition to, and is not intended as a replacement for
23 any other money appropriated to the department of ~~community health~~
24 ~~or its successor.~~ **and human services**. The funds deposited in the
25 Michigan health initiative fund on an annual basis ~~shall must~~ not
26 be less than \$9,000,000.00 or more than \$12,000,000.00.

27 (8) **An amount equal to all revenue lost to the state school**
28 **aid fund as a result of the exemption under section 4ee, as**
29 **determined by the department, must be deposited into the state**



1 school aid fund established in section 11 of article IX of the
 2 state constitution of 1963. Money deposited into the state school
 3 aid fund under this subsection must not include and must be
 4 considered in addition to money deposited in the state school aid
 5 fund under subsection (3). A person that claims an exemption under
 6 section 4ee shall report the sales price of the data center
 7 equipment as defined in section 4ee and any other information
 8 necessary to determine the amount of revenue lost to the school aid
 9 fund as a result of the exemption under section 4ee annually on a
 10 form at the time and in a manner prescribed by the department. The
 11 report required under this subsection shall not include any
 12 remittance for tax, and does not constitute a return or otherwise
 13 alleviate any obligations under section 6.

14 (9) ~~(8)~~—The balance in the state general fund shall be
 15 disbursed only on an appropriation or appropriations by the
 16 legislature.

17 (10) ~~(9)~~—As used in this section:

18 (a) "Aviation fuel" means fuel as that term is defined in
 19 section 4 of the aeronautics code of the state of Michigan, 1945 PA
 20 327, MCL 259.4.

21 (b) "Qualified airport" means that term as defined in section
 22 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
 23 MCL 259.109.

24 (c) "Qualified airport fund" means the qualified airport fund
 25 created in section 34(2) of the aeronautics code of the state of
 26 Michigan, 1945 PA 327, MCL 259.34.

27 (d) "State aeronautics fund" means the state aeronautics fund
 28 created in section 34(1) of the aeronautics code of the state of
 29 Michigan, 1945 PA 327, MCL 259.34.

