

HOUSE BILL No. 6071

September 25, 1990, Introduced by Rep. Bryant and referred to the Committee on Taxation.

A bill to amend the title of Act No. 94 of the Public Acts
of 1979, entitled as amended

"The state school aid act of 1979,"

as amended, being sections 388.1601 to 388.1772 of the Michigan
Compiled Laws; and to add article 18.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 94 of the Public Acts of
2 1979, as amended, being sections 388.160 to 388.1772 of the
3 Michigan Compiled Laws, is amended and article 18 is added to
4 read as follows:

5	TITLE
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6 An act to make appropriations to aid in the support of the
7 public schools and the intermediate school districts of the
8 state; to provide for the disbursement of the appropriations; to
9 supplement the school aid fund OR LOCAL SCHOOL DISTRICT REVENUE

1 by the levy and collection of certain taxes; to prescribe the
2 powers and duties of certain state departments, the state board
3 of education, and certain other boards and officials; to pre-
4 scribe penalties; and to repeal certain acts and parts of acts.

5 ARTICLE 18

6 SEC. 181. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
7 THE "LOCAL SCHOOL DISTRICT INCOME TAX ACT".

8 SEC. 182. AS USED IN THIS ARTICLE:

9 (A) "DOMICILE", "HOMESTEAD", "TAXABLE INCOME", AND "TAX
10 YEAR" MEAN THOSE TERMS AS DEFINED IN THE INCOME TAX ACT OF 1967,
11 ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO
12 206.532 OF THE MICHIGAN COMPILED LAWS.

13 (B) "RESIDENT" MEANS AN INDIVIDUAL DOMICILED IN THE LOCAL
14 SCHOOL DISTRICT.

15 (C) "SCHOOL TAX" MEANS A LOCAL SCHOOL DISTRICT INCOME TAX
16 IMPOSED UNDER THIS ARTICLE.

17 SEC. 183. (1) A BOARD MAY RESOLVE TO IMPOSE ON RESIDENTS A
18 LOCAL SCHOOL DISTRICT INCOME TAX OR TO INCREASE THE RATE OF A
19 LOCAL SCHOOL DISTRICT INCOME TAX. A SCHOOL TAX OR AN INCREASE IN
20 A SCHOOL TAX SHALL NOT TAKE EFFECT UNLESS APPROVED BY A MAJORITY
21 OF THE DISTRICT'S ELECTORS VOTING ON THE QUESTION. THE QUESTION
22 SUBMITTED TO THE ELECTORS SHALL STATE AT LEAST BOTH OF THE
23 FOLLOWING:

24 (A) THE PROPOSED SCHOOL TAX RATE.

25 (B) THE EFFECTIVE DATE OF THE SCHOOL TAX OR THE INCREASE IF
26 APPROVED, WHICH SHALL BE NO SOONER THAN THE JANUARY 1 OR JULY 1

1 FOLLOWING THE ELECTION AT WHICH THE ELECTORS APPROVE THE
2 IMPOSITION OR AN INCREASE OF THE SCHOOL TAX.

3 (2) THE BOARD MAY RESOLVE TO DECREASE THE RATE OF OR RESCIND
4 A SCHOOL TAX AT ANY TIME. A DECREASE IN RATE OR RESCISSION IS
5 EFFECTIVE ON THE JANUARY 1 FOLLOWING THE PASSAGE OF THE
6 RESOLUTION.

7 SEC. 184. (1) A SCHOOL TAX SHALL BE COLLECTED AT THE SAME
8 TIME AND IN THE SAME MANNER AS, AND IS SUBJECT TO THE PROCEDURES
9 ESTABLISHED FOR, THE STATE INCOME TAX UNDER THE INCOME TAX ACT OF
10 1967, ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS
11 206.1 TO 206.532 OF THE MICHIGAN COMPILED LAWS.

12 (2) THE REVENUE DIVISION OF THE DEPARTMENT OF TREASURY SHALL
13 ADMINISTER AND COLLECT A SCHOOL TAX IN ACCORDANCE WITH ACT
14 NO. 122 OF THE PUBLIC ACTS OF 1941, BEING SECTIONS 205.1 TO
15 205.31 OF THE MICHIGAN COMPILED LAWS. THE REVENUE DIVISION OF
16 THE DEPARTMENT OF TREASURY SHALL PREPARE THE FORMS NECESSARY FOR
17 THE ADMINISTRATION AND COLLECTION OF A SCHOOL TAX AND MAKE THOSE
18 FORMS AVAILABLE TO TAXPAYERS. THE FORMS MAY INCLUDE A SEPARATE
19 STATEMENT FOR THE TAXPAYER TO SIGN TO PERMIT THE STATE TREASURER
20 TO SEND CERTAIN INFORMATION TO THE DISTRICT THAT IMPOSES THE
21 SCHOOL TAX AS PROVIDED IN SECTION 186. THE DEPARTMENT OF TREA-
22 SURY SHALL MAIL SCHOOL TAX FORMS TO APPROPRIATE TAXPAYERS ALONG
23 WITH MAILED STATE INCOME TAX FORMS.

24 (3) IF A CONFLICT EXISTS BETWEEN THIS ACT AND ACT NO. 281 OF
25 THE PUBLIC ACTS OF 1967, OR ACT NO. 122 OF THE PUBLIC ACTS OF
26 1941, THIS ACT CONTROLS.

1 SEC. 185. (1) EXCEPT FOR THE CREDIT ALLOWED BY SECTION 251
2 OF THE INCOME TAX ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF
3 1967, BEING SECTION 206.251 OF THE MICHIGAN COMPILED LAWS, A TAX-
4 PAYER SHALL NOT CLAIM AS A CREDIT AGAINST A SCHOOL TAX ANY OF THE
5 CREDITS ALLOWED AGAINST THE STATE INCOME TAX UNDER ACT NO. 281 OF
6 THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO 206.532 OF THE
7 MICHIGAN COMPILED LAWS.

8 (2) IF A TAXPAYER IS NOT A RESIDENT FOR THE ENTIRE TAX YEAR,
9 THE SCHOOL TAX SHALL BE PRORATED BASED ON THE NUMBER OF DAYS
10 DURING WHICH THE TAXPAYER IS A RESIDENT.

11 SEC. 186. THE STATE TREASURER SHALL PROMPTLY FORWARD COL-
12 LECTIONS OF A SCHOOL TAX, MINUS THE EXPENSE OF ADMINISTRATION AND
13 COLLECTION OF THE SCHOOL TAX, TO THE DISTRICT THAT IMPOSES THE
14 SCHOOL TAX. THE STATE TREASURER SHALL ALSO FORWARD TO THE SCHOOL
15 DISTRICT THE NAME AND SOCIAL SECURITY NUMBER OF, THE AMOUNT OF
16 TAX PAID UNDER THIS ARTICLE BY, AND THE AMOUNT OF CREDIT CLAIMED
17 UNDER SECTIONS 520 AND 522 OF THE STATE INCOME TAX OF 1967, ACT
18 NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.520 AND
19 206.522 OF THE MICHIGAN COMPILED LAWS, BY EACH TAXPAYER WHO GIVES
20 WRITTEN PERMISSION TO THE STATE TREASURER FOR RELEASE OF THIS
21 INFORMATION TO THE DISTRICT.

22 Section 2. This amendatory act shall not take effect unless
23 all of the following bills of the 85th Legislature are enacted
24 into law:

25 (a) Senate Bill No. _____ or House Bill No. 6072
26 (request no. 03276'89 a**).

1 (b) Senate Bill No. _____ or House Bill No. 6073
2 (request no. 03276'89 b**).