



SENATE BILL No. 695

June 9, 1993, Introduced by Senator GAST and referred to the Committee on Appropriations.

A bill to amend section 136 of Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended by Act No. 159 of the Public Acts of 1992, being section 208.136 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 136 of Act No. 228 of the Public Acts of
2 1975, as amended by Act No. 159 of the Public Acts of 1992, being
3 section 208.136 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 136. (1) The department of treasury shall total the
6 amounts payable to cities, villages, and townships under section
7 134 between July 1, 1976 and February 1, 1977, but excluding any
8 payments under section 137.

1 (2) Between July 1, 1977 and February 28, 1978, an
2 additional amount of the single business tax equal to 5% of the
3 amount calculated in subsection (1) shall be distributed to all
4 cities, villages, and townships through the tax effort formula as
5 defined in the state revenue sharing act of 1971, Act No. 140 of
6 the Public Acts of 1971, as amended, being sections 141.901 to
7 141.921 of the Michigan Compiled Laws.

8 (3) For every year following June 30, 1978, the growth in
9 the single business tax payable to cities, villages, and town-
10 ships by the tax effort formula is calculated in the following
11 manner:

12 (a) The percentage that the amount calculated in subsection
13 (1) is of the gross collections before refunds of the single
14 business tax from July 1, 1976, through June 30, 1977.

15 (b) The percentage calculated in subdivision (a) is multi-
16 plied by the gross collections before refunds of the single busi-
17 ness tax from each July 1 through June 30, starting with the
18 gross collections before refunds from July 1, 1977, through
19 June 30, 1978. From this amount subtract the amount necessary to
20 make the payments to cities, villages, and townships under sec-
21 tion 134 for the same year. The difference shall be distributed
22 to cities, villages, and townships by the tax effort formula
23 between October 1 and February 28 following the calculation based
24 upon the preceding June 30. At least 1/2 of this payment shall
25 be distributed before November 1 in any year that money is dis-
26 tributed under this section. Funds not distributed pursuant to
27 this subdivision after March 1, 1992 and before October 1, 1992

1 shall lapse to the general fund at the close of the fiscal year
2 ending September 30, 1992.

3 (4) During each June, starting in 1976, the department of
4 treasury shall distribute to cities, villages, and townships
5 through the tax effort formula, as defined in Act No. 140 of the
6 Public Acts of 1971, an amount to replace payments to cities,
7 villages, and townships from the intangibles tax previously made
8 under section 13 of Act No. 140 of the Public Acts of 1971, as
9 amended, being section 141.913 of the Michigan Compiled Laws,
10 determined as follows:

11 (a) For the June 1976 payment only, \$35,000,000.00 of the
12 collections of the tax levied by this act and for the June 1977
13 payment only, \$35,000,000.00 of the collections of the tax levied
14 by this act.

15 (b) For payments after January 1, 1978, a percentage of the
16 gross collections before refunds of the tax levied by this act
17 for the most recent fully completed July 1 through June 30 period
18 as certified by the department of treasury as of May 31. The
19 percentage set aside for distribution is calculated by dividing
20 \$40,000,000.00 by the gross collections before refunds of the
21 single business tax from July 1, 1976, through June 30, 1977.
22 For the 1992-1993 state fiscal year, the amount determined under
23 this subsection shall be reduced by \$11,775,000.00 before the
24 distribution under this subsection is made. FOR THE 1993-94
25 STATE FISCAL YEAR, THE AMOUNT DETERMINED UNDER THIS SUBSECTION
26 SHALL BE REDUCED BY \$5,000,000.00 BEFORE THE DISTRIBUTION UNDER
27 THIS SUBSECTION IS MADE.