



SENATE BILL No. 1132

April 28 1994, Introduced by Senators GAST, GEAKE and
SCHWARZ 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 329 of the Public Acts of 1993, being sec-
tion 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 329 of the Public Acts of 1993, 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 levied at a rate of 2 35% from each July 1 through
18 June 30, starting with the gross collections before refunds from
19 July 1, 1977, through June 30, 1978 From this amount subtract
20 the amount necessary to make the payments to cities, villages,
21 and townships under section 134 for the same year The differ-
22 ence shall be distributed to cities, villages, and townships by
23 the tax effort formula between October 1 and February 28 follow-
24 ing the calculation based upon the preceding June 30 At least
25 1/2 of this payment shall be distributed before November 1 in any
26 year that money is distributed under this section

1 (4) During each June, starting in 1976, the department of
 2 treasury shall distribute to cities, villages, and townships
 3 through the tax effort formula, as defined in Act No 140 of the
 4 Public Acts of 1971, an amount to replace payments to cities,
 5 villages, and townships from the intangibles tax previously made
 6 under section 13 of Act No 140 of the Public Acts of 1971, as
 7 amended, being section 141 913 of the Michigan Compiled Laws,
 8 determined as follows

9 (a) For the June 1976 payment only, \$35,000,000 00 of the
 10 collections of the tax levied by this act and for the June 1977
 11 payment only, \$35,000,000 00 of the collections of the tax levied
 12 by this act

13 (b) For payments after January 1, 1978, a percentage of the
 14 gross collections before refunds of the tax levied by this act at
 15 the rate of 2 35% for the most recent fully completed July 1
 16 through June 30 period as certified by the department of treasury
 17 as of May 31 The percentage set aside for distribution is cal-
 18 culated by dividing \$40,000,000 00 by the gross collections
 19 before refunds of the single business tax from July 1 1976
 20 through June 30 1977 ~~For the 1992-1993 state fiscal year the~~
 21 ~~amount determined under this subsection shall be reduced by~~
 22 ~~\$11,775,000 00 before the distribution under this subsection is~~
 23 ~~made~~ For the 1993-94 state fiscal year, the amount determined
 24 under this subsection shall be reduced by \$6,863,000 00 before
 25 the distribution under this subsection is made FOR THE
 26 1994-1995 STATE FISCAL YEAR, THE AMOUNT DETERMINED UNDER THIS

1 SUBSECTION SHALL BE REDUCED BY \$6,863 000 00 BEFORE THE
2 DISTRIBUTION UNDER THIS SUBSECTION IS MADE

3 (5) A city, village, or township is not eligible for a pay-
4 ment under subsection (4) unless that local unit of government
5 requires sealed competitive bidding for any contract of
6 \$20,000 00 or more except a contract for professional services or
7 emergency repairs or services exempted pursuant to a written
8 policy adopted or approved by the governing body of the local
9 unit of government This section shall not apply to transactions
10 between governmental units