



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 677
Sponsor: Senator Mike Rogers
Committee: Finance

Date Completed: 10-31-95

SUMMARY OF SENATE BILL 677 as introduced 9-26-95:

The bill would amend the Income Tax Act to provide that for fiscal year 1996-97, 5.2% of gross income tax collections before refunds would have to be deposited in the Michigan Transportation Fund. This earmarking of income tax revenues to the Michigan Transportation Fund would apply only to FY 1996-97.

Under the statutory formula for the distribution of money sent to the Michigan Transportation Fund, after collection costs and specific allocations including 10% of the Michigan Transportation Fund deposited in the Comprehensive Transportation Fund, the balance of the Fund then is directed as follows: 39.1% to the county road commissions; 39.1% to the State Trunkline Fund; and 21.8% to cities and villages.

MCL 206.51

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would earmark an estimated \$350 million of gross income tax collections to the Michigan Transportation Fund in FY 1996-97. Without this earmarking, this income tax revenue would go to the General Purpose portion of the General Fund (GF/GP), so under this bill, GF/GP revenue would be reduced by \$350 million in FY 1996-97.

The additional Michigan Transportation Fund revenues of \$350.0 million would be distributed as follows: \$35.0 million to the Comprehensive Transportation Fund, \$123.2 million to the State Trunkline Fund, \$123.2 million to county road commissions, and \$68.7 million to cities and villages.

Fiscal Analyst: J. Wortley
G. Olson
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