



# HOUSE BILL No. 4513

March 2, 1995, Introduced by Reps. Gubow and Nye and referred to the Committee on Tax Policy.

A bill to amend section 25 of Act No. 167 of the Public Acts of 1933, entitled as amended "General sales tax act," as amended by Act No. 325 of the Public Acts of 1993, being section 205.75 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 25 of Act No. 167 of the Public Acts of  
2 1933, as amended by Act No. 325 of the Public Acts of 1993, being  
3 section 205.75 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 25. (1) All sums of money received and collected under  
6 this act shall be deposited by the department in the state trea-  
7 sury to the credit of the general fund, except as provided in  
8 this section.

1 (2) Fifteen percent of the collections of the tax imposed at  
2 a rate of 4% shall be distributed to cities, villages, and  
3 townships pursuant to the state revenue sharing act of 1971, Act  
4 No. 140 of the Public Acts of 1971, being sections 141.901 to  
5 141.92' of the Michigan Compiled Laws.

6 (3) Sixty percent of the collections of the tax imposed at a  
7 rate of 4% shall be deposited in the state school aid fund estab-  
8 lished in section 11 of article IX of the state constitution of  
9 1963 and distributed as provided by law. In addition, all of the  
10 collections of the tax imposed at the additional rate of 2%  
11 approved by the electors March 15, 1994 shall be deposited in the  
12 state school aid fund.

13 (4) For the fiscal year ending September 30, 1988 and each  
14 fiscal year ending after September 30, 1988, of the 25% of the  
15 collections of the general sales tax imposed at a rate of 4%  
16 directly or indirectly on fuels sold to propel motor vehicles  
17 upon highways, on the sale of motor vehicles, and on the sale of  
18 the parts and accessories of motor vehicles by new and used car  
19 businesses, used car businesses, accessory dealer businesses, and  
20 gasoline station businesses as classified by the department of  
21 treasury remaining after the allocations and distributions are  
22 made pursuant to subsections (2) and (3), the following amounts  
23 shall be deposited each year into the respective funds:

24 (a) Not less than 27.9% to the comprehensive transportation  
25 fund. ~~However, for the fiscal year ending September 30, 1991~~  
26 ~~only, the amount to be deposited in the comprehensive~~  
27 ~~transportation fund shall be reduced by \$1,500,000.00.~~

1 (b) The balance to the state general fund.

2 (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995 AND EACH  
3 FISCAL YEAR ENDING AFTER SEPTEMBER 30, 1995, THE 25% OF THE COL-  
4 LECTIONS OF THE GENERAL SALES TAX IMPOSED AT A RATE OF 4%  
5 DIRECTLY OR INDIRECTLY ON FUELS SOLD TO PROPEL AIRCRAFT, ON THE  
6 SALE OF NEW AIRCRAFT, AND ON THE SALE OF USED AIRCRAFT REMAINING  
7 AFTER THE ALLOCATIONS AND DISTRIBUTIONS ARE MADE PURSUANT TO  
8 SUBSECTIONS (2) AND (3) SHALL BE DEPOSITED EACH YEAR INTO THE  
9 STATE AERONAUTICS FUND CREATED IN SECTION 34 OF THE AERONAUTICS  
10 CODE OF THE STATE OF MICHIGAN, ACT NO. 327 OF THE PUBLIC ACTS OF  
11 1945, BEING SECTION 259.34 OF THE MICHIGAN COMPILED LAWS, AND  
12 SHALL BE USED FOR 1 OR MORE OF THE FOLLOWING PURPOSES:

13 (A) AIRPORT CAPITAL IMPROVEMENTS INCLUDING, BUT NOT LIMITED  
14 TO, THE FOLLOWING CATEGORIES:

15 (i) SAFETY.

16 (ii) ENVIRONMENTAL PRESERVATION.

17 (iii) INFRASTRUCTURE.

18 (iv) ECONOMIC DEVELOPMENT.

19 (B) THE OPERATION AND MAINTENANCE OF THE CIVIL AIR PATROL.

20 (6) ~~(5)~~ After the allocations and distributions are made  
21 pursuant to subsections (2) and (3), an amount equal to the col-  
22 lections of the tax imposed at a rate of 4% by this act from the  
23 sale at retail of computer software as defined in section 1 shall  
24 be deposited in the Michigan health initiative fund created in  
25 section 5911 of the public health code, Act No. 368 of the Public  
26 Acts of 1978, being section 333.5911 of the Michigan Compiled  
27 Laws, and shall be considered in addition to, and is not intended

1 as a replacement for any other money appropriated to the  
2 department of public health. The funds deposited in the Michigan  
3 health initiative fund on an annual basis shall not be less than  
4 \$9,000,000.00 or more than \$12,000,000.00.

5       (7) ~~(6)~~ The balance in the state general fund shall be  
6 disbursed only on an appropriation or appropriations by the  
7 legislature.