



HOUSE BILL No. 4852

May 16, 1995, Introduced by Rep. Voorhees 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. 300 of the Public Acts of 1994, 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. 300 of the Public Acts of 1994, 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 (2) ~~(3)~~ For every year following June 30, 1978, the growth
 9 in 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~~ DIVIDE the amount calculated in
 13 subsection (1) ~~is of~~ BY the gross collections before refunds of
 14 the single business tax from July 1, 1976, through June 30,
 15 1977.

16 (b) ~~The percentage~~ MULTIPLY THE AMOUNT calculated in sub-
 17 division (a) ~~is multiplied~~ by the gross collections before
 18 refunds of the single business tax levied at a rate of 2.35% from
 19 each July 1 through June 30, starting with the gross collections
 20 before refunds from July 1, 1977, through June 30, 1978.

21 (C) From ~~this~~ THE amount CALCULATED IN SUBDIVISION (B),
 22 subtract the amount necessary to make the payments to cities,
 23 villages, and townships under section 134 for the same year. The
 24 difference shall be distributed to cities, villages, and town-
 25 ships ~~by the tax effort formula~~ between October 1 and
 26 February 28 following the calculation based upon the preceding
 27 June 30. At least 1/2 of this payment shall be distributed

1 before November 1 in any year that money is distributed under
2 this section.

3 (3) ~~(4)~~ During each June, ~~starting in 1976,~~ the depart-
4 ment of treasury shall distribute to cities, villages, and town-
5 ships ~~through the tax effort formula, as defined in Act No. 140~~
6 ~~of the Public Acts of 1971, an amount~~ to replace payments to
7 cities, villages, and townships from the intangibles tax previ-
8 ously made under section 13 of THE STATE REVENUE SHARING ACT OF
9 1971, Act No. 140 of the Public Acts of 1971, ~~as amended,~~ being
10 section 141.913 of the Michigan Compiled Laws, ~~determined as~~
11 ~~follows: (a) For the June 1976 payment only, \$35,000,000.00 of~~
12 ~~the collections of the tax levied by this act and for the June~~
13 ~~1977 payment only, \$35,000,000.00 of the collections of the tax~~
14 ~~levied by this act. (b) For payments after January 1, 1978, a~~
15 percentage of the gross collections before refunds of the tax
16 levied by this act at the rate of 2.35% for the most recent fully
17 completed July 1 through June 30 period as certified by the
18 department of treasury as of May 31. The percentage ~~set aside~~
19 ~~for distribution~~ OF GROSS COLLECTIONS BEFORE REFUND TO BE DIS-
20 TRIBUTED UNDER THIS SUBSECTION is calculated by dividing
21 \$40,000,000.00 by the gross collections before refunds of the
22 single business tax from July 1, 1976, through June 30, 1977.
23 ~~For the 1993-94 state fiscal year, the amount determined under~~
24 ~~this subsection shall be reduced by \$6,863,000.00 before the dis-~~
25 ~~tribution under this subsection is made.~~ For the 1994-95 state
26 fiscal year, the amount determined under this subsection shall be
27 reduced by \$6,863,000.00 before the distribution under this

1 subsection is made. Beginning in 1996, the payments required by
2 this subdivision shall be increased by 0.53% of the gross collec-
3 tions before refunds of the single business tax for the 12-month
4 period ending on the June 30 immediately preceding the payment
5 date.

6 (4) ~~(5)~~ A city, village, or township is not eligible for a
7 payment under subsection ~~(4)~~ (3) unless that local unit of gov-
8 ernment requires sealed competitive bidding for any contract of
9 \$20,000.00 or more except a contract for professional services or
10 emergency repairs or services exempted pursuant to a written
11 policy adopted or approved by the governing body of the local
12 unit of government. This section ~~shall~~ DOES not apply to
13 transactions between governmental units.

14 Section 2. This amendatory act shall not take effect unless
15 Senate Bill No. _____ or House Bill No. 4853 (request
16 no. 04987'95) of the 88th Legislature is enacted into law.