



SENATE BILL No. 577

June 6, 1995, Introduced by Senator EMMONS and SHUGARS
and referred to the Committee on Local, Urban and
State Affairs.

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 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. 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~~
5 ~~as defined in the state revenue sharing act of 1971, Act No. 140~~
6 ~~of 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~~ 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~~ MULTIPLY THE percentage calculated in subdivision
17 (a) ~~is multiplied~~ by the gross collections before refunds of
18 the single business tax levied at a rate of 2.35% from each
19 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 (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 THE STATE REVENUE SHARING ACT OF 1971, Act
9 No. 140 of the Public Acts of 1971, ~~as amended,~~ being section
10 141.913 of the Michigan Compiled Laws, ~~determined as follows:~~

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

14 ~~act. (b) For payments after January 1, 1978,~~ a percentage of
15 the gross collections before refunds of the tax levied by this
16 act at the rate of 2.35% for the most recent fully completed
17 July 1 through June 30 period as certified by the department of
18 treasury as of May 31. The percentage ~~set aside for~~

19 ~~distribution~~ OF GROSS COLLECTIONS BEFORE REFUNDS TO BE DISTRIB-
20 UTED 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 (5) A city, village, or township is not eligible for a pay-
7 ment under subsection (4) unless that local unit of government
8 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. 576
16 of the 88th Legislature is enacted into law.