

HOUSE JOINT RESOLUTION BB

September 17, 2002, Introduced by Rep. Stallworth and referred to the Committee on Tax Policy.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to provide for a tricounty regional sales tax option.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to provide for a tricounty regional sales tax option, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than 4% of their gross taxable sales of tangible personal property.

Beginning May 1, 1994, the sales tax shall be imposed on retailers at an additional rate of 2% of their gross taxable sales of tangible personal property not exempt by law and the use

1 tax at an additional rate of 2%. The proceeds of the sales and
2 use taxes imposed at the additional rate of 2% shall be deposited
3 in the state school aid fund established in section 11 of this
4 article. The allocation of sales tax revenue required or autho-
5 rized by sections 9 and 10 of this article does not apply to the
6 revenue from the sales tax imposed at the additional rate of 2%.

7 BEGINNING JANUARY 1, 2003, THE LEGISLATURE SHALL PROVIDE FOR
8 A LOCAL OPTION SALES TAX FOR ANY TRICOUNTY REGION WITH A TOTAL
9 POPULATION OF MORE THAN 4,000,000 UPON APPROVAL OF A MAJORITY OF
10 VOTERS VOTING ON THE QUESTION IN THAT TRICOUNTY REGION. THE
11 SALES TAX LEVIED SHALL BE AT A RATE OF NOT MORE THAN 1%. SIXTY
12 PERCENT OF THE PROCEEDS OF THIS SALES TAX SHALL BE USED ONLY FOR
13 REGIONAL PUBLIC TRANSPORTATION PURPOSES AND COORDINATION IN THAT
14 TRICOUNTY REGION. TWENTY PERCENT OF THE PROCEEDS OF THE SALES
15 TAX SHALL BE USED ONLY FOR FUNDING ROADS, AND 20% SHALL BE USED
16 FOR WATER AND SEWAGE INFRASTRUCTURE IN THAT TRICOUNTY REGION. A
17 COUNTY THAT DOES NOT CONTAIN A CITY WITH A POPULATION OF MORE
18 THAN 750,000 MAY DECLINE TO COLLECT THE LOCAL OPTION SALES TAX IF
19 A MAJORITY OF THE VOTERS VOTING ON THE QUESTION IN THAT COUNTY DO
20 NOT APPROVE THE QUESTION AND THE COUNTY BOARD OF COMMISSIONERS
21 ADOPTS A RESOLUTION TO DECLINE TO COLLECT THE LOCAL OPTION SALES
22 TAX. IF A COUNTY DECLINES TO COLLECT A LOCAL OPTION SALES TAX,
23 NONE OF THE PROCEEDS FROM THAT LOCAL OPTION SALES TAX SHALL BE
24 USED FOR ALLOWED PURPOSES IN THAT COUNTY.

25 No sales tax or use tax shall be charged or collected from
26 and after January 1, 1975 on the sale or use of prescription
27 drugs for human use, or on the sale or use of food for human

1 consumption except in the case of prepared food intended for
2 immediate consumption as defined by law. This provision shall
3 not apply to alcoholic beverages.

4 Resolved further, That the foregoing amendment shall be sub-
5 mitted to the people of the state at the next general election in
6 the manner provided by law.