

SUBSTITUTE FOR
SENATE BILL NO. 399

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 1993 PA 325.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 25. (1) All ~~sums of~~ money received and collected
2 under this act shall be deposited by the department in the state
3 treasury to the credit of the general fund, except as **otherwise**
4 provided in this section.
- 5 (2) Fifteen percent of the collections of the tax imposed at
6 a rate of 4% shall be distributed to cities, villages, and
7 townships pursuant to the **Glenn Steil** state revenue sharing act
8 of 1971, ~~Act No. 140 of the Public Acts of 1971, being sections~~
9 ~~141.901 to 141.921 of the Michigan Compiled Laws~~ **1971 PA 140,**
10 **MCL 141.901 to 141.921.**
- 11 (3) Sixty percent of the collections of the tax imposed at a

1 rate of 4% shall be deposited in the state school aid fund
2 established in section 11 of article IX of the state constitution
3 of 1963 and distributed as provided by law. In addition, all of
4 the collections of the tax imposed at the additional rate of 2%
5 approved by the electors March 15, 1994 shall be deposited in the
6 state school aid fund.

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

18 (a) ~~Not~~ **Through the fiscal year ending September 30, 2003**
19 **and for the fiscal year ending September 30, 2006 and each fiscal**
20 **year ending after September 30, 2006, not less than 27.9% to the**
21 **comprehensive transportation fund.** ~~However, for the fiscal year~~
22 ~~ending September 30, 1991 only, the amount to be deposited in the~~
23 ~~comprehensive transportation fund shall be reduced by~~
24 ~~\$1,500,000.00.~~ **Except as otherwise provided in subdivision (b),**
25 **for the fiscal year ending September 30, 2004 and the fiscal year**
26 **ending September 30, 2005, not less than 24% shall be deposited**
27 **each year in the comprehensive transportation fund.**

1 (b) In the fiscal year ending September 30, 2004 only, the
2 amount deposited in the comprehensive transportation fund under
3 subdivision (a) shall be reduced by \$18,000,000.00.

4 (c) ~~-(b)-~~ The balance to the state general fund.

5 (5) After the allocations and distributions are made pursuant
6 to subsections (2) and (3), an amount equal to the collections of
7 the tax imposed at a rate of 4% ~~by~~ **under** this act from the sale
8 at retail of computer software as defined in section 1 shall be
9 deposited in the Michigan health initiative fund created in
10 section 5911 of the public health code, ~~Act No. 368 of the~~
11 ~~Public Acts of 1978, being section 333.5911 of the Michigan~~
12 ~~Compiled Laws~~ **1978 PA 368, MCL 333.5911**, and shall be considered
13 in addition to, and is not intended as a replacement for any
14 other money appropriated to the department of public health. The
15 funds deposited in the Michigan health initiative fund on an
16 annual basis shall not be less than \$9,000,000.00 or more than
17 \$12,000,000.00.

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