

# HOUSE JOINT RESOLUTION R

January 11, 2006, Introduced by Reps. Gosselin, Garfield and Hoogendyk and referred to the Committee on Government Operations.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 26 of article IX, to further limit state spending.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to further limit state spending, is proposed, agreed to, and submitted to the people of the state:

## ARTICLE IX

Sec. 26. There is hereby established a limit on the total amount of taxes which may be imposed by the legislature in any fiscal year on the taxpayers of this state. This limit shall not be

1 changed without approval of the majority of the qualified electors  
2 voting thereon, as provided for in Article 12 of the Constitution.

3 Effective with fiscal year 1979-1980, and for each fiscal year  
4 thereafter, the legislature shall not impose taxes of any kind  
5 which, together with all other revenues of the state, federal aid  
6 excluded, exceed the revenue limit established in this section.

7 ~~The~~ **EFFECTIVE WITH FISCAL YEAR 1979-1980 THROUGH FISCAL YEAR 2005-**  
8 **2006, THE** revenue limit shall be equal to the product of the ratio  
9 of Total State Revenues in fiscal year 1978-79 divided by the  
10 Personal Income of Michigan in calendar year 1977 multiplied by the  
11 Personal Income of Michigan in either the prior calendar year or  
12 the average of Personal Income of Michigan in the previous three  
13 calendar years, whichever is greater. **BEGINNING FISCAL YEAR 2006-**  
14 **2007, THE REVENUE LIMIT SHALL BE EQUAL TO THE PRODUCT OF 8.58**  
15 **MULTIPLIED BY THE PERSONAL INCOME OF MICHIGAN IN EITHER THE PRIOR**  
16 **CALENDAR YEAR OR THE AVERAGE OF PERSONAL INCOME OF MICHIGAN IN THE**  
17 **PREVIOUS THREE CALENDAR YEARS, WHICHEVER IS GREATER.**

18 For any fiscal year in the event that Total State Revenues  
19 exceed the revenue limit established in this section by 1% or more,  
20 the excess revenues shall be refunded pro rata based on the  
21 liability reported on the Michigan income tax and single business  
22 tax (or its successor tax or taxes) annual returns filed following  
23 the close of such fiscal year. If the excess is less than 1%, this  
24 excess may be transferred to the State Budget Stabilization Fund.

25 The revenue limitation established in this section shall not  
26 apply to taxes imposed for the payment of principal and interest on  
27 bonds, approved by the voters and authorized under Section 15 of

1 this Article, and loans to school districts authorized under  
2 Section 16 of this Article.

3 If responsibility for funding a program or programs is  
4 transferred from one level of government to another, as a  
5 consequence of constitutional amendment, the state revenue and  
6 spending limits may be adjusted to accommodate such change,  
7 provided that the total revenue authorized for collection by both  
8 state and local governments does not exceed that amount which would  
9 have been authorized without such change.

10 Resolved further, That the foregoing amendment shall be  
11 submitted to the people of the state at the next general election  
12 in the manner provided by law.