

HOUSE BILL No. 6296

June 27, 2008, Introduced by Reps. Agema, Stahl, Hansen, Rick Jones, Calley, Meltzer, Green, LaJoy, Marleau, Knollenberg, Proos, Garfield, Hoogendyk, Amos, Caul, Casperson, Meekhof and Elsenheimer and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2007 PA 69.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 shall be deposited by the department in the state treasury to the
3 credit of the general fund, except as otherwise provided in this
4 section.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% shall be distributed to cities, villages, and townships
7 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
8 PA 140, MCL 141.901 to 141.921.

9 (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 the
4 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 upon
11 highways, on the sale of motor vehicles and on the sale of the
12 parts and accessories of motor vehicles by new and used car
13 businesses, used car businesses, accessory dealer businesses, and
14 gasoline station businesses as classified by the department of
15 treasury remaining after the allocations and distributions are made
16 pursuant to subsections (2) and (3), the following amounts shall be
17 deposited each year into the respective funds:

18 (a) For the fiscal year ending September 30, 2003 and for the
19 fiscal year ending September 30, 2006 and each fiscal year ending
20 after September 30, 2006, not less than 27.9% to the comprehensive
21 transportation fund. For the fiscal year ending September 30, 2004
22 through the fiscal year ending September 30, 2005, not less than
23 24% to the comprehensive transportation fund. For the fiscal year
24 ending September 30, 2006 only, the amount deposited to the
25 comprehensive transportation fund under this subdivision shall be
26 reduced by \$11,100,000.00. For the fiscal year ending September 30,
27 2007 only, the amount deposited to the comprehensive transportation

1 fund under this subdivision shall be reduced by \$10,270,000.00.

2 (b) The balance to the state general fund.

3 (5) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008 AND EACH
4 FISCAL YEAR ENDING AFTER SEPTEMBER 30, 2008, AFTER THE ALLOCATIONS
5 AND DISTRIBUTIONS ARE MADE PURSUANT TO SUBSECTIONS (2) AND (3), AN
6 AMOUNT EQUAL TO 20% OF THE COLLECTIONS OF THE TAX IMPOSED AT A RATE
7 OF 4% UNDER THIS ACT FROM THE SALE AT RETAIL OF GASOLINE SHALL BE
8 DISTRIBUTED, BY APPROPRIATION, AS FOLLOWS:

9 (A) 39.1% FOR DEPOSIT INTO THE STATE TRUNK LINE FUND CREATED
10 IN SECTION 11 OF 1951 PA 51, MCL 247.661.

11 (B) 39.1% TO COUNTY ROAD COMMISSIONS, FOR ROAD CONSTRUCTION,
12 MAINTENANCE, AND REPAIR.

13 (C) 21.8% TO CITIES AND VILLAGES, FOR ROAD CONSTRUCTION,
14 MAINTENANCE, AND REPAIR.

15 (6) ~~(5)~~—After the allocations and distributions are made
16 pursuant to subsections (2) and (3), an amount equal to the
17 collections of the tax imposed at a rate of 4% under this act from
18 the sale at retail of computer software as defined in section 1a
19 shall be deposited in the Michigan health initiative fund created
20 in section 5911 of the public health code, 1978 PA 368, MCL
21 333.5911, and shall be considered in addition to, and is not
22 intended as a replacement for any other money appropriated to the
23 department of community health. The funds deposited in the Michigan
24 health initiative fund on an annual basis shall not be less than
25 \$9,000,000.00 or more than \$12,000,000.00.

26 (7) ~~(6)~~—The balance in the state general fund shall be
27 disbursed only on an appropriation or appropriations by the

1 legislature.