

HOUSE BILL No. 6520

September 24, 2008, Introduced by Reps. Opsommer and LaJoy 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~~**SEVENTEEN** percent of the collections of the tax
6 imposed at a rate of 4% shall be distributed to cities, villages,
7 and townships pursuant to the Glenn Steil state revenue sharing act
8 of 1971, 1971 PA 140, MCL 141.901 to 141.921.

9 (3) **TEN PERCENT OF THE COLLECTIONS OF THE TAX IMPOSED AT A**

1 RATE OF 4% SHALL BE DEPOSITED INTO THE PRIORITY NOW! FUND CREATED
2 IN SECTION 10F OF 1951 PA 51, MCL 247.660F.

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

10 (5) ~~(4)~~—For the fiscal year ending September 30, 1988 and each
11 fiscal year ending after September 30, 1988, of the 25% of the
12 collections of the general sales tax imposed at a rate of 4%
13 directly or indirectly on fuels sold to propel motor vehicles upon
14 highways, on the sale of motor vehicles and on the sale of the
15 parts and accessories of motor vehicles by new and used car
16 businesses, used car businesses, accessory dealer businesses, and
17 gasoline station businesses as classified by the department of
18 treasury remaining after the allocations and distributions are made
19 pursuant to subsections (2), ~~and (3)~~, **AND (4)**, the following
20 amounts shall be deposited each year into the respective funds:

21 (a) For the fiscal year ending September 30, 2003 and for the
22 fiscal year ending September 30, 2006 and each fiscal year ending
23 after September 30, 2006, not less than 27.9% to the comprehensive
24 transportation fund. For the fiscal year ending September 30, 2004
25 through the fiscal year ending September 30, 2005, not less than
26 24% to the comprehensive transportation fund. For the fiscal year
27 ending September 30, 2006 only, the amount deposited to the

1 comprehensive transportation fund under this subdivision shall be
2 reduced by \$11,100,000.00. For the fiscal year ending September 30,
3 2007 only, the amount deposited to the comprehensive transportation
4 fund under this subdivision shall be reduced by \$10,270,000.00.

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

6 (6) ~~(5)~~—After the allocations and distributions are made
7 pursuant to subsections (2), ~~and~~ (3), **AND (4)** an amount equal to
8 the collections of the tax imposed at a rate of 4% under this act
9 from the sale at retail of computer software as defined in section
10 1a shall be deposited in the Michigan health initiative fund
11 created in section 5911 of the public health code, 1978 PA 368, MCL
12 333.5911, and shall be considered in addition to, and is not
13 intended as a replacement for any other money appropriated to the
14 department of community health. The funds deposited in the Michigan
15 health initiative fund on an annual basis shall not be less than
16 \$9,000,000.00 or more than \$12,000,000.00.

17 (7) ~~(6)~~—The balance in the state general fund shall be
18 disbursed only on an appropriation or appropriations by the
19 legislature.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Joint Resolution ____ or House Joint Resolution NNN
22 (request no. 08017'08 *) of the 94th Legislature becomes a part of
23 the state constitution of 1963 as provided in section 1 of article
24 XII of the state constitution of 1963.