

HOUSE JOINT RESOLUTION JJJ

August 24, 2010, Introduced by Reps. Donigan, Byrnes and Leland and referred to the Committee on Transportation.

A joint resolution proposing an amendment to the state constitution of 1963, by amending sections 8 and 9 of article IX, to allow the levy of a sales tax by local units of government, to restrict the proceeds of that tax, and to allow local motor fuel taxes to be dedicated to public transit purposes.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to allow the levy of a sales tax by local units of government, to restrict the proceeds of that tax, and to allow local motor fuel taxes to be dedicated to public transit purposes, 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 tax at an additional rate of 2%. The proceeds of the sales and use taxes imposed at the additional rate of 2% shall be deposited in the state school aid fund established in section 11 of this article. The allocation of sales tax revenue required or authorized by sections 9 and 10 of this article does not apply to the revenue from the sales tax imposed at the additional rate of 2%.

No sales tax or use tax shall be charged or collected from and after January 1, 1975 on the sale or use of prescription drugs for human use, or on the sale or use of food for human consumption except in the case of prepared food intended for immediate consumption as defined by law. This provision shall not apply to alcoholic beverages.

BEGINNING JANUARY 1, 2010, A COUNTY MAY IMPOSE ON RETAILERS A SALES TAX AT A RATE OF UP TO 1% OF THEIR GROSS TAXABLE SALES AT RETAIL IF APPROVED BY A MAJORITY VOTE OF THE QUALIFIED ELECTORS IN THAT COUNTY DURING AN ELECTION HELD ON THE AUGUST REGULAR ELECTION DATE OR THE NOVEMBER REGULAR ELECTION DATE AS PROVIDED IN SECTION 641 OF THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.641. PROCEEDS OF THE SALES TAX IMPOSED BY A COUNTY AT A RATE OF UP TO 1% SHALL BE USED ONLY FOR ROAD CONSTRUCTION AND PRESERVATION; PUBLIC

1 TRANSPORTATION OPERATIONS AND RELATED INFRASTRUCTURE; AND
2 NONMOTORIZED TRANSPORTATION INFRASTRUCTURE, AS APPROVED BY THE
3 QUALIFIED ELECTORS IN THE COUNTY WHERE THE TAX WAS COLLECTED. IN
4 ADDITION TO ANY OTHER REQUIREMENTS IMPOSED BY LAW, THE BALLOT
5 QUESTION PROPOSING THE AUTHORIZATION OF THE TAX SHALL SPECIFICALLY
6 STATE HOW THE PROCEEDS OF THE TAX SHALL BE DISTRIBUTED.

7 Sec. 9. All specific taxes, except general sales and use taxes
8 and regulatory fees, imposed directly or indirectly on fuels sold
9 or used to propel motor vehicles upon highways and to propel
10 aircraft and on registered motor vehicles and aircraft shall, after
11 the payment of necessary collection expenses, be used exclusively
12 for transportation purposes as set forth in this section.

13 Not less than 90 percent of the specific taxes, except general
14 sales and use taxes, ~~and~~ regulatory fees, **REGISTRATION FEES, AND**
15 **LOCAL MOTOR FUEL TAXES THAT ARE DEDICATED TO PUBLIC TRANSPORTATION**
16 **AND RELATED INFRASTRUCTURE AND NONMOTORIZED TRANSPORTATION**
17 **INFRASTRUCTURE**, imposed directly or indirectly on fuels sold or
18 used to propel motor vehicles upon highways and on registered motor
19 vehicles shall, after the payment of necessary collection expenses,
20 be used exclusively for the transportation purposes of planning,
21 administering, constructing, reconstructing, financing, and
22 maintaining state, county, city, and village roads, streets, and
23 bridges designed primarily for the use of motor vehicles using
24 tires, and reasonable appurtenances to those state, county, city,
25 and village roads, streets, and bridges.

26 The balance, if any, of the specific taxes, except general
27 sales and use taxes and regulatory fees, imposed directly or

1 indirectly on fuels sold or used to propel motor vehicles upon
2 highways and on registered motor vehicles, after the payment of
3 necessary collection expenses; 100 percent of the specific taxes,
4 except general sales and use taxes and regulatory fees, imposed
5 directly or indirectly on fuels sold or used to propel aircraft and
6 on registered aircraft, after the payment of necessary collection
7 expenses; and not more than 25 percent of the general sales taxes,
8 imposed directly or indirectly on fuels sold to propel motor
9 vehicles upon highways, on the sale of motor vehicles, and on the
10 sale of the parts and accessories of motor vehicles, after the
11 payment of necessary collection expenses; shall be used exclusively
12 for the transportation purposes of comprehensive transportation
13 purposes as defined by law.

14 The legislature may authorize the incurrence of indebtedness
15 and the issuance of obligations pledging the taxes allocated or
16 authorized to be allocated by this section, which obligations shall
17 not be construed to be evidences of state indebtedness under this
18 constitution.

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