

HOUSE BILL No. 5492

April 29, 2014, Introduced by Rep. Poleski and referred to the Committee on Tax Policy.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 21 (MCL 205.111), as amended by 2010 PA 37.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) Except as provided in subsections (2), ~~and (3),~~
2 (4), **AND (5)**, all money received and collected under this act shall
3 be deposited by the department of treasury in the state treasury to
4 the credit of the general fund, to be disbursed only by
5 appropriations by the legislature.

6 (2) The collections from the use tax imposed at the additional
7 rate of 2% approved by the electors March 15, 1994 shall be
8 deposited in the state school aid fund established in section 11 of
9 article IX of the state constitution of 1963.

10 ~~— (3) For the fiscal year ending September 30, 2010 only,~~

~~\$9,500,000.00 shall be deposited by the department of treasury into the Michigan promotion fund. As used in this subsection, "Michigan promotion fund" means the fund created in section 39 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2039.~~

(3) FROM THE MONEY RECEIVED AND COLLECTED UNDER THIS ACT FOR THE STATE SHARE, AN AMOUNT EQUAL TO ALL REVENUE LOST UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, AND ALL REVENUE LOST FROM BASIC SCHOOL OPERATING MILLS AS A RESULT OF THE EXEMPTION OF PERSONAL PROPERTY UNDER SECTIONS 9M, 9N, AND 9O OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.9M, 211.9N, AND 211.9O, AS DETERMINED BY THE DEPARTMENT, SHALL BE DEPOSITED INTO THE STATE SCHOOL AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. FUNDS DEPOSITED INTO THE STATE SCHOOL AID FUND UNDER THIS SUBSECTION SHALL NOT INCLUDE THE PORTION OF THE STATE SHARE OF THE USE TAX IMPOSED AT THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS OF THIS STATE ON MARCH 15, 1994 AND DEDICATED FOR AID TO SCHOOLS UNDER SUBSECTION (2).

(4) MONEY RECEIVED AND COLLECTED UNDER THIS ACT FOR THE LOCAL COMMUNITY STABILIZATION SHARE IS NOT STATE FUNDS, SHALL NOT BE CREDITED TO THE STATE TREASURY, AND SHALL BE TRANSMITTED TO THE AUTHORITY FOR DEPOSIT IN THE TREASURY OF THE AUTHORITY, TO BE DISBURSED BY THE AUTHORITY ONLY AS AUTHORIZED UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT. THE LOCAL COMMUNITY STABILIZATION SHARE IS A LOCAL TAX, NOT A STATE TAX, AND MONEY RECEIVED AND COLLECTED FOR THE LOCAL COMMUNITY STABILIZATION SHARE IS MONEY OF THE AUTHORITY AND NOT MONEY OF THIS STATE.

(5) FROM THE MONEY RECEIVED AND COLLECTED UNDER THIS ACT

1 REMAINING AFTER THE DISTRIBUTIONS UNDER SUBSECTIONS (2) AND (3), AN
2 AMOUNT EQUAL TO 50% OF THE AMOUNT DEPOSITED IN THE SCHOOL AID FUND
3 ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION
4 OF 1963 UNDER SUBSECTION (2) SHALL BE DISTRIBUTED TO THE STATE
5 TRUNK LINE FUND, COUNTY ROAD COMMISSIONS, AND THE CITIES AND
6 VILLAGES OF THIS STATE, IN THE SAME PERCENTAGES DESCRIBED IN
7 SECTION 10(1)(J) OF 1951 PA 51, MCL 247.660, AND SHALL BE USED FOR
8 THE PURPOSES PROVIDED IN 1951 PA 51, MCL 247.651 TO 247.675.

9 Enacting section 1. This amendatory act does not take effect
10 unless Enrolled Senate Bill No. 822, 2014 PA 80, of the 97th
11 Legislature is approved by a majority of the registered and
12 qualified electors of this state voting on the question at an
13 election to be held on the August regular election date in 2014.

14 Enacting section 2. It is the intent of the Legislature that
15 the distribution of money received and collected under the use tax
16 act, 1937 PA 94, MCL 205.91 to 205.111, provided for in section
17 21(5) of the use tax act, 1937 PA 94, MCL 205.111, as added by this
18 amendatory act, shall apply only to the state share of the money
19 received and collected under the use tax act, 1937 PA 94, MCL
20 205.91 to 205.111, as described in section 3 of the use tax act,
21 1937 PA 94, MCL 205.93, and shall take place after distributions of
22 money received and collected under the use tax act, 1937 PA 94, MCL
23 205.91 to 205.111, to the state school aid fund as provided in
24 section 21(2) and (3) of the use tax act, 1937 PA 94, MCL 205.111.