

HOUSE BILL No. 5681

March 6, 2018, Introduced by Reps. Lucido, Lasinski, Yancey, Elder, Sabo, Hertel, Chirkun, Singh, Gay-Dagnogo, Yaroach, Pagan and Green and referred to the Committee on Appropriations.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2015 PA 262.

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
10 rate of 4% shall be deposited in the state school aid fund

1 established in section 11 of article IX of the state constitution
2 of 1963 and distributed as provided by law. In addition, all of the
3 collections of the tax imposed at the additional rate of 2%
4 approved by the electors March 15, 1994 shall be deposited in the
5 state school aid fund.

6 (4) Not less than 27.9% of 25% of the collections of the
7 general sales tax imposed at a rate of 4% directly or indirectly on
8 fuels sold to propel motor vehicles upon highways, on the sale of
9 motor vehicles, and on the sale of the parts and accessories of
10 motor vehicles by new and used car businesses, used car businesses,
11 accessory dealer businesses, and gasoline station businesses as
12 classified by the department shall be deposited each year into the
13 comprehensive transportation fund created in section 10b of 1951 PA
14 51, MCL 247.660b.

15 (5) Beginning October 1, 2016 and the first day of each
16 calendar quarter thereafter, an amount equal to the collections for
17 the calendar quarter that is 2 calendar quarters immediately
18 preceding the current calendar quarter of the tax imposed under
19 this act at the additional rate of 2% approved by the electors on
20 March 15, 1994 from the sale at retail of aviation fuel shall be
21 distributed as follows:

22 (a) An amount equal to 35% of the collections of the tax
23 imposed at a rate of 2% on the sale at retail of aviation fuel
24 shall be deposited in the state aeronautics fund and shall be
25 expended, on appropriation, only for those purposes authorized in
26 the aeronautics code of the state of Michigan, 1945 PA 327, MCL
27 259.1 to 259.208.

1 (b) An amount equal to 65% of the collections of the tax
2 imposed at a rate of 2% on the sale at retail of aviation fuel
3 shall be deposited in the qualified airport fund and shall be
4 expended, on appropriation, only for those purposes authorized
5 under section 35 of the aeronautics code of the state of Michigan,
6 1945 PA 327, MCL 259.35.

7 (6) The department shall, on an annual basis, reconcile the
8 amounts distributed under subsection (5) during each fiscal year
9 with the amounts actually collected for a particular fiscal year
10 and shall make any necessary adjustments, positive or negative, to
11 the amounts to be distributed for the next successive calendar
12 quarter that begins January 1. The state treasurer or his or her
13 designee shall annually provide to the operator of each qualified
14 airport a report of the reconciliation performed under this
15 subsection. The reconciliation report is subject to the
16 confidentiality restrictions and penalties provided in section
17 28(1)(f) of 1941 PA 122, MCL 205.28.

18 (7) An amount equal to the collections of the tax imposed at a
19 rate of 4% under this act from the sale at retail of computer
20 software as defined in section 1a shall be deposited in the
21 Michigan health initiative fund created in section 5911 of the
22 public health code, 1978 PA 368, MCL 333.5911, and shall be
23 considered in addition to, and is not intended as a replacement for
24 any other money appropriated to the department of ~~community~~-health
25 **AND HUMAN SERVICES** or its successor. The funds deposited in the
26 Michigan health initiative fund on an annual basis shall not be
27 less than \$9,000,000.00 or more than \$12,000,000.00.

1 (8) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018 AND EACH
2 FISCAL YEAR THEREAFTER, AFTER THE ALLOCATIONS AND DISTRIBUTIONS ARE
3 MADE PURSUANT TO SUBSECTIONS (2) THROUGH (7), FROM THE BALANCE OF
4 THE COLLECTIONS OF THE GENERAL SALES TAX IMPOSED AT A RATE OF 4%
5 NOT MORE THAN \$6,000,000.00 SHALL BE DEPOSITED EACH YEAR INTO THE
6 FIREWORKS SAFETY FUND CREATED IN SECTION 11 OF THE MICHIGAN
7 FIREWORKS SAFETY ACT, 2001 PA 256, MCL 28.461, TO BE USED FOR THE
8 TRAINING OF FIREFIGHTERS UNDER THE DIRECTION AND APPROVAL OF THE
9 FIREFIGHTERS TRAINING COUNCIL ESTABLISHED UNDER THE FIREFIGHTERS
10 TRAINING COUNCIL ACT, 1966 PA 291, MCL 29.361 TO 29.377.

11 (9) ~~(8)~~—The balance in the state general fund shall be
12 disbursed only on an appropriation or appropriations by the
13 legislature.

14 (10) ~~(9)~~—As used in this section:

15 (a) "Aviation fuel" means fuel as that term is defined in
16 section 4 of the aeronautics code of the state of Michigan, 1945 PA
17 327, MCL 259.4.

18 (b) "Qualified airport" means that term as defined in section
19 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
20 MCL 259.109.

21 (c) "Qualified airport fund" means the qualified airport fund
22 created in section 34(2) of the aeronautics code of the state of
23 Michigan, 1945 PA 327, MCL 259.34.

24 (d) "State aeronautics fund" means the state aeronautics fund
25 created in section 34(1) of the aeronautics code of the state of
26 Michigan, 1945 PA 327, MCL 259.34.