

SENATE BILL No. 1020

May 17, 2018, Introduced by Senator YOUNG 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~~**MUST** be deposited by the department in the state treasury to
3 the credit of the general fund, except as otherwise provided in
4 this section.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% ~~shall~~**MUST** be distributed to cities, villages, and
7 townships pursuant to the Glenn Steil state revenue sharing act of
8 1971, 1971 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~~**MUST** 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 **ON** March 15, 1994 ~~shall~~**MUST** be deposited
6 in the state school aid fund.

7 (4) Not less than 27.9% of 25% of the collections of the
8 general sales tax imposed at a rate of 4% directly or indirectly on
9 fuels sold to propel motor vehicles upon highways, on the sale of
10 motor vehicles, and on the sale of the parts and accessories of
11 motor vehicles by new and used car businesses, used car businesses,
12 accessory dealer businesses, and gasoline station businesses as
13 classified by the department ~~shall~~**MUST** be deposited each year into
14 the comprehensive transportation fund created in section 10b of
15 1951 PA 51, MCL 247.660b.

16 (5) BEGINNING OCTOBER 15, 2018 AND ON THE FIFTEENTH DAY OF
17 EVERY OTHER MONTH THEREAFTER, THE DEPARTMENT SHALL DEPOSIT
18 \$79,187,866.00 OF THE MONEY RECEIVED AND COLLECTED FROM THE TAX
19 IMPOSED AT A RATE OF 4% UNDER THIS ACT INTO THE REVENUE SHARING
20 TRUST FUND CREATED UNDER SECTION 11 OF THE MICHIGAN TRUST FUND ACT,
21 2000 PA 489, MCL 12.261.

22 (6) FOR THE 2021 FISCAL YEAR, IN ADDITION TO THE AMOUNT
23 DEPOSITED UNDER SUBSECTION (5), THE DEPARTMENT SHALL DEPOSIT AN
24 ADDITIONAL \$15,000,000.00 OF THE MONEY RECEIVED AND COLLECTED FROM
25 THE TAX IMPOSED AT A RATE OF 4% UNDER THIS ACT INTO THE REVENUE
26 SHARING TRUST FUND CREATED UNDER SECTION 11 OF THE MICHIGAN TRUST
27 FUND ACT, 2000 PA 489, MCL 12.261. SUBJECT TO THE LIMITATION UNDER

1 THIS SUBSECTION, FOR THE 2021 FISCAL YEAR AND EACH FISCAL YEAR
2 AFTER 2021, AN AMOUNT EQUAL TO THE SUM OF THE AMOUNT DISTRIBUTED
3 UNDER THIS SUBSECTION IN THE IMMEDIATELY PRECEDING FISCAL YEAR PLUS
4 \$15,000,000.00 SHALL BE DEPOSITED INTO THE REVENUE SHARING TRUST
5 FUND CREATED UNDER SECTION 11 OF THE MICHIGAN TRUST FUND ACT, 2000
6 PA 489, MCL 12.261. THE AMOUNT DEPOSITED UNDER THIS SUBSECTION
7 SHALL NOT EXCEED \$300,000,000.00 IN ANY FISCAL YEAR.

8 (7) ~~(5)~~ Beginning October 1, 2016 and the first day of each
9 calendar quarter thereafter, an amount equal to the collections for
10 the calendar quarter that is 2 calendar quarters immediately
11 preceding the current calendar quarter of the tax imposed under
12 this act at the additional rate of 2% approved by the electors on
13 March 15, 1994 from the sale at retail of aviation fuel shall be
14 distributed as follows:

15 (a) An amount equal to 35% of the collections of the tax
16 imposed at a rate of 2% on the sale at retail of aviation fuel
17 shall be deposited in the state aeronautics fund and ~~shall~~ **MUST** be
18 expended, on appropriation, only for those purposes authorized in
19 the aeronautics code of the state of Michigan, 1945 PA 327, MCL
20 259.1 to 259.208.

21 (b) An amount equal to 65% of the collections of the tax
22 imposed at a rate of 2% on the sale at retail of aviation fuel
23 ~~shall~~ **MUST** be deposited in the qualified airport fund and ~~shall~~
24 **MUST** be expended, on appropriation, only for those purposes
25 authorized under section 35 of the aeronautics code of the state of
26 Michigan, 1945 PA 327, MCL 259.35.

27 (8) ~~(6)~~ The department shall, on an annual basis, reconcile

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

11 (9) ~~(7)~~—An amount equal to the collections of the tax imposed
 12 at a rate of 4% under this act from the sale at retail of computer
 13 software as defined in section 1a ~~shall~~ **MUST** be deposited in the
 14 Michigan health initiative fund created in section 5911 of the
 15 public health code, 1978 PA 368, MCL 333.5911, and ~~shall~~ **MUST** be
 16 considered in addition to, and is not intended as a replacement for
 17 any other money appropriated to the department of ~~community~~ health
 18 **AND HUMAN SERVICES** or its successor. The funds deposited in the
 19 Michigan health initiative fund on an annual basis ~~shall~~ **MUST** not
 20 be less than \$9,000,000.00 or more than \$12,000,000.00.

21 (10) ~~(8)~~—The balance in the state general fund shall be
 22 disbursed only on an appropriation or appropriations by the
 23 legislature.

24 (11) ~~(9)~~—As used in this section:

25 (a) "Aviation fuel" means fuel as that term is defined in
 26 section 4 of the aeronautics code of the state of Michigan, 1945 PA
 27 327, MCL 259.4.

1 (b) "Qualified airport" means that term as defined in section
2 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
3 MCL 259.109.

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

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

10 Enacting section 1. This amendatory act does not take effect
11 unless Senate Bill No.____ or House Bill No.____ (request no.
12 06358'18 *) of the 99th Legislature is enacted into law.