

HOUSE BILL NO. 5187

October 31, 2019, Introduced by Reps. Warren, Kahle and Huizenga and referred to the Committee on Commerce and Tourism.

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



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townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

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

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

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

(a) An amount equal to 35% of the collections of the tax imposed at a rate of 2% on the sale at retail of aviation fuel ~~shall~~**must** be deposited in the state aeronautics fund and ~~shall~~**must** be expended, on appropriation, only for those purposes

1 authorized in the aeronautics code of the state of Michigan, 1945
2 PA 327, MCL 259.1 to 259.208.

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

9 (6) The department shall, on an annual basis, reconcile the
10 amounts distributed under subsection (5) during each fiscal year
11 with the amounts actually collected for a particular fiscal year
12 and shall make any necessary adjustments, positive or negative, to
13 the amounts to be distributed for the next successive calendar
14 quarter that begins January 1. The state treasurer or his or her
15 designee shall annually provide to the operator of each qualified
16 airport a report of the reconciliation performed under this
17 subsection. The reconciliation report is subject to the
18 confidentiality restrictions and penalties provided in section
19 28(1)(f) of 1941 PA 122, MCL 205.28.

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



1 (8) An amount equal to all revenue lost to the state school
2 aid fund as a result of the exemption under section 4ee, as
3 determined by the department, must be deposited into the state
4 school aid fund established in section 11 of article IX of the
5 state constitution of 1963. Money deposited into the state school
6 aid fund under this subsection must not include and must be
7 considered in addition to money deposited in the state school aid
8 fund under subsection (3).

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

12 (10) ~~(9)~~—As used in this section:

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

16 (b) "Qualified airport" means that term as defined in section
17 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
18 MCL 259.109.

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

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

