

SENATE BILL NO. 907

May 05, 2020, Introduced by Senator LUCIDO 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 2020 PA 29.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 25. (1) All money received and collected under this act
2 must 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.

1 (2) Fifteen percent of the collections of the tax imposed at a
2 rate of 4% must be distributed to cities, villages, and townships
3 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
4 PA 140, MCL 141.901 to 141.921.

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

12 (4) Not less than 27.9% of 25% of the collections of the
13 general sales tax imposed at a rate of 4% directly or indirectly on
14 fuels sold to propel motor vehicles upon highways, on the sale of
15 motor vehicles, and on the sale of the parts and accessories of
16 motor vehicles by new and used car businesses, used car businesses,
17 accessory dealer businesses, and gasoline station businesses as
18 classified by the department must be deposited each year into the
19 comprehensive transportation fund created in section 10b of 1951 PA
20 51, MCL 247.660b.

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

28 (a) An amount equal to 35% of the collections of the tax
29 imposed at a rate of 2% on the sale at retail of aviation fuel must

1 be deposited in the state aeronautics fund and must be expended, on
2 appropriation, only for those purposes authorized in the
3 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
4 to 259.208.

5 (b) An amount equal to 65% of the collections of the tax
6 imposed at a rate of 2% on the sale at retail of aviation fuel must
7 be deposited in the qualified airport fund and must be expended, on
8 appropriation, only for those purposes authorized under section 35
9 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL
10 259.35.

11 (6) The department shall, on an annual basis, reconcile the
12 amounts distributed under subsection (5) during each fiscal year
13 with the amounts actually collected for a particular fiscal year
14 and shall make any necessary adjustments, positive or negative, to
15 the amounts to be distributed for the next successive calendar
16 quarter that begins January 1. The state treasurer or his or her
17 designee shall annually provide to the operator of each qualified
18 airport a report of the reconciliation performed under this
19 subsection. The reconciliation report is subject to the
20 confidentiality restrictions and penalties provided in section
21 28(1)(f) of 1941 PA 122, MCL 205.28.

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

1 than \$9,000,000.00 or more than \$12,000,000.00.

2 (8) An amount equal to all revenue lost to the state school
3 aid fund as a result of the exemption under section 4ee, as
4 determined by the department, must be deposited into the state
5 school aid fund established in section 11 of article IX of the
6 state constitution of 1963. Money deposited into the state school
7 aid fund under this subsection must not include and must be
8 considered in addition to money deposited in the state school aid
9 fund under subsection (3). A person that claims an exemption under
10 section 4ee shall report the sales price of the data center
11 equipment as defined in section 4ee and any other information
12 necessary to determine the amount of revenue lost to the school aid
13 fund as a result of the exemption under section 4ee annually on a
14 form at the time and in a manner prescribed by the department. The
15 report required under this subsection ~~shall~~**must** not include any
16 remittance for tax, and does not constitute a return or otherwise
17 alleviate any obligations under section 6.

18 (9) **For the fiscal year ending September 30, 2021 and each**
19 **fiscal year thereafter, after the allocations and distributions**
20 **under subsections (2) to (8), from the balance of the collections**
21 **of the general sales tax imposed at a rate of 4% not more than**
22 **\$6,000,000.00 must be deposited each year into the fireworks safety**
23 **fund created in section 11 of the Michigan fireworks safety act,**
24 **2011 PA 256, MCL 28.461, to be used for the training of**
25 **firefighters under the direction and approval of the firefighters**
26 **training council established under the firefighters training**
27 **council act, 1966 PA 291, MCL 29.361 to 29.377.**

28 (10) ~~(9)~~The balance in the state general fund shall be
29 disbursed only on an appropriation or appropriations by the

1 legislature.

2 **(11)** ~~(10)~~—As used in this section:

3 (a) "Aviation fuel" means fuel as that term is defined in
4 section 4 of the aeronautics code of the state of Michigan, 1945 PA
5 327, MCL 259.4.

6 (b) "Qualified airport" means that term as defined in section
7 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
8 MCL 259.109.

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

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