

SUBSTITUTE FOR
SENATE BILL NO. 1062

A bill to amend 1937 PA 94, entitled
"Use tax act,"
by amending section 21 (MCL 205.111), as amended by 2021 PA 109.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) Except as **otherwise** provided in ~~subsections (2),~~
2 ~~(3), (4), and (5),~~ **this section**, all money received and collected
3 under this act must be deposited by the department of treasury in
4 the state treasury to the credit of the general fund, to be
5 disbursed only by appropriations by the legislature.
6 (2) The collections from the use tax imposed at the additional
7 rate of 2% approved by the electors on March 15, 1994 must be
8 deposited in the state school aid fund established in section 11 of
9 article IX of the state constitution of 1963.

(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, and all revenue lost to the school aid fund as a result of the exemptions under sections 4(1)(gg) and 4cc, as determined by the department, must 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 must 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). A person that claims an exemption under section 4cc shall report the purchase price of the data center equipment as defined in section 4cc and any other information necessary to determine the amount of revenue lost to the school aid fund as a result of the exemption under section 4cc annually on a form at the time and in a manner prescribed by the department. The report required under this subsection must not include any remittance for tax and does not constitute a return or otherwise alleviate the person's obligations under section 6.

(4) Money received and collected under this act for the local community stabilization share is not state funds, must not be credited to the state treasury, and must 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, 2014 PA 86, MCL 123.1341 to

1 123.1362. The local community stabilization share is a local tax,
2 not a state tax, and money received and collected for the local
3 community stabilization share is money of the authority and not
4 money of this state.

5 (5) Beginning October 1, 2016 and the first day of each
6 calendar quarter thereafter, from the money received and collected
7 under this act for the state share, an amount equal to the
8 collections for the calendar quarter that is 2 calendar quarters
9 immediately preceding the current calendar quarter of the tax
10 imposed under this act at the additional rate of 2% approved by the
11 electors on March 15, 1994 from the use, storage, or consumption of
12 aviation fuel must be distributed as follows:

13 (a) An amount equal to 35% of the collections of the tax
14 imposed at a rate of 2% on the use, storage, or consumption of
15 aviation fuel must be deposited in the state aeronautics fund and
16 must be expended, on appropriation, only for those purposes
17 authorized in the aeronautics code of the state of Michigan, 1945
18 PA 327, MCL 259.1 to 259.208.

19 (b) An amount equal to 65% of the collections of the tax
20 imposed at a rate of 2% on the use, storage, or consumption of
21 aviation fuel must be deposited in the qualified airport fund and
22 must be expended, on appropriation, only for those purposes
23 authorized under section 35 of the aeronautics code of the state of
24 Michigan, 1945 PA 327, MCL 259.35.

25 (6) The department shall, on an annual basis, reconcile the
26 amounts distributed under subsection (5) during each fiscal year
27 with the amounts actually collected for a particular fiscal year
28 and shall make any necessary adjustments, positive or negative, to
29 the amounts to be distributed for the next successive calendar

1 quarter that begins January 1. The state treasurer or his or her
2 designee shall annually provide to the operator of each qualified
3 airport a report of the reconciliation performed under this
4 subsection. The reconciliation report is subject to the
5 confidentiality restrictions and penalties provided in section
6 28(1)(f) of 1941 PA 122, MCL 205.28.

7 **(7) Beginning with the fiscal year ending September 30, 2024**
8 **and each fiscal year thereafter, from the money received and**
9 **collected under this act for the state share, \$75,000,000.00 must**
10 **be deposited into the local government reimbursement fund created**
11 **in section 3a of the Michigan trust fund act, 2000 PA 489, MCL**
12 **12.253a.**

13 **(8) ~~(7)~~As used in this section:**

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

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

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

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

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 101st Legislature are
28 enacted into law:

29 (a) Senate Bill No. 1060.

1 (b) Senate Bill No. 1061.