

HOUSE BILL NO. 4817

May 11, 2021, Introduced by Rep. Yancey and referred to the Committee on Tax Policy.

A bill to amend 1993 PA 327, entitled
"Tobacco products tax act,"
by amending section 12 (MCL 205.432), as amended by 2018 PA 639.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) The proceeds derived from the payment of taxes,
2 fees, and penalties provided for under this act and the license
3 fees received by the department shall be deposited with the state
4 treasurer and disbursed only as provided in this section and
5 section 7(5). However, before a distribution of funds is made under

1 this section, subject to appropriation, the funds described in this
2 section may be used by the department, the attorney general, and
3 the department of state police for enforcement and administration
4 of this act.

5 (2) The tax imposed under section 7(1)(a) shall be disbursed
6 as follows:

7 (a) 94% of the proceeds shall be credited to the state school
8 aid fund established by section 11 of article IX of the state
9 constitution of 1963.

10 (b) 6% of the proceeds shall be credited to the Healthy
11 Michigan fund created under section 5953 of the public health code,
12 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
13 in this subdivision that are used for smoking prevention programs
14 shall be used by the department of health and human services to
15 expand the free smokers quit kit program to include the nicotine
16 patch or nicotine gum.

17 (3) The tax imposed on cigarettes under section 7(1)(b) shall
18 be disbursed as follows:

19 (a) Beginning May 1, 1994 and through June 30, 2004, 5.3% of
20 the proceeds shall be credited to the health and safety fund
21 created in the health and safety fund act, 1987 PA 264, MCL 141.471
22 to 141.479.

23 (b) Beginning July 1, 2004, 6.5% of the proceeds shall be
24 credited to the health and safety fund created in the health and
25 safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

26 (c) Through June 30, 2004, 25.3% of the proceeds shall be
27 credited to the general fund of this state.

28 (d) Beginning July 1, 2004 and through September 30, 2014,
29 24.1% of the proceeds shall be credited to the general fund of this

1 state.

2 (e) 63.4% of the proceeds shall be credited to the state
3 school aid fund established by section 11 of article IX of the
4 state constitution of 1963.

5 (f) 6% of the proceeds shall be credited to the Healthy
6 Michigan fund created under section 5953 of the public health code,
7 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
8 in this subdivision that are used for smoking prevention programs
9 shall be used by the department of health and human services to
10 expand the free smokers quit kit program to include the nicotine
11 patch or nicotine gum.

12 (g) Beginning October 1, 2014, 24.1% of the proceeds shall be
13 disbursed as follows:

14 (i) For the 2014-2015 fiscal year and each subsequent fiscal
15 year, \$3,000,000.00 to the Michigan state capitol historic site
16 fund created in section 7 of the Michigan state capitol historic
17 site act, 2013 PA 240, MCL 4.1947. For the 2015-2016 fiscal year
18 and each subsequent fiscal year, the state treasurer shall adjust
19 the figure described in this subparagraph by an amount determined
20 by the state treasurer ~~at the end of each calendar year~~ to reflect
21 the cumulative annual percentage change in the ~~consumer price~~
22 ~~index.~~ **Consumer Price Index for the calendar year ending within the**
23 **fiscal year.** Beginning for the 2015-2016 fiscal year and each
24 subsequent fiscal year, if the cumulative annual percentage change
25 in the ~~consumer price index~~ **Consumer Price Index** is negative, then
26 the adjustment for that fiscal year is zero. As used in this
27 subsection, ~~"consumer price index"~~ **"Consumer Price Index"** means the
28 most comprehensive index of consumer prices available for this
29 state from the Bureau of Labor Statistics of the United States

1 Department of Labor. From the funds described in this subparagraph,
2 not later than February 1 of each year, the Michigan state capitol
3 commission created in section 5 of the Michigan state capitol
4 historic site act, 2013 PA 240, MCL 4.1945, shall report to the
5 chairpersons of the house and senate appropriations committees. The
6 report ~~shall~~**must** contain all of the following:

7 (A) The proposed maintenance plan for the Michigan State
8 Capitol ~~Historical~~**Historic** Site for the immediately following
9 fiscal year.

10 (B) The projected 5-year maintenance plan for the Michigan
11 State Capitol ~~Historical~~**Historic** Site for the immediately
12 following 5 fiscal years.

13 (C) Projected large-scale projects for the Michigan State
14 Capitol ~~Historical~~**Historic** Site that exceed \$1,000,000.00.

15 (ii) The remaining proceeds shall be credited to the general
16 fund of this state.

17 (4) Beginning August 1, 2002, the tax imposed on cigarettes
18 under section 7(1)(c) shall be disbursed as follows:

19 (a) Through June 30, 2004, 74.2%, and beginning July 1, 2004,
20 9.0% of the proceeds shall be credited to the general fund of this
21 state.

22 (b) Through June 30, 2004, 4.6%, and beginning July 1, 2004,
23 56.3% of the proceeds shall be credited to the state school aid
24 fund established by section 11 of article IX of the state
25 constitution of 1963.

26 (c) 6.0% of the proceeds shall be credited to the Healthy
27 Michigan fund created under section 5953 of the public health code,
28 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
29 in this subdivision that are used for smoking prevention programs

1 shall be used by the department of health and human services to
2 expand the free smokers quit kit program to include the nicotine
3 patch or nicotine gum.

4 (d) Through June 30, 2004, 3.0%, and beginning July 1, 2004,
5 3.7% of the proceeds shall be paid to counties with a 2000
6 population of more than 2,000,000, to be used only for indigent
7 health care.

8 (e) Through June 30, 2004, 12.2%, and beginning July 1, 2004,
9 25.0% of the proceeds shall be credited to the Medicaid benefits
10 trust fund created under section 5 of the Michigan trust fund act,
11 2000 PA 489, MCL 12.255.

12 (5) Beginning August 1, 2002, the tax imposed under section
13 7(1)(f) shall be disbursed as follows:

14 (a) 75.6% of the proceeds shall be credited to the state
15 school aid fund established by section 11 of article IX of the
16 state constitution of 1963.

17 (b) 6.0% of the proceeds shall be credited to the Healthy
18 Michigan fund created under section 5953 of the public health code,
19 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
20 in this subdivision that are used for smoking prevention programs
21 shall be used by the department of health and human services to
22 expand the free smokers quit kit program to include the nicotine
23 patch or nicotine gum.

24 (c) 18.4% of the proceeds shall be credited to the general
25 fund of this state.

26 (6) Beginning August 1, 2002, the tax imposed on cigarettes
27 under section 7(1)(d) shall be disbursed as follows:

28 (a) 94.0% of the proceeds shall be credited to the state
29 school aid fund established by section 11 of article IX of the

1 state constitution of 1963.

2 (b) 6.0% of the proceeds shall be credited to the Healthy
3 Michigan fund created under section 5953 of the public health code,
4 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described
5 in this subdivision that are used for smoking prevention programs
6 shall be used by the department of health and human services to
7 expand the free smokers quit kit program to include the nicotine
8 patch or nicotine gum.

9 (7) Beginning July 1, 2004, the tax imposed on cigarettes
10 under section 7(1)(e) shall be disbursed as follows:

11 (a) Beginning July 1, 2004 and through September 30, 2005,
12 100% of the proceeds shall be credited to the Michigan Medicaid
13 benefits trust fund created under section 5 of the Michigan trust
14 fund act, 2000 PA 489, MCL 12.255.

15 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be
16 credited to the Michigan Medicaid benefits trust fund created under
17 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

18 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be
19 credited to the general fund of this state.

20 (8) Beginning July 1, 2004, the tax imposed under section
21 7(1)(g) shall be disbursed as follows:

22 (a) Beginning July 1, 2004 and through September 30, 2005,
23 100% of the proceeds shall be credited to the Michigan Medicaid
24 benefits trust fund created under section 5 of the Michigan trust
25 fund act, 2000 PA 489, MCL 12.255.

26 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be
27 credited to the Michigan Medicaid benefits trust fund created under
28 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

29 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be

- 1 credited to the general fund of this state.
- 2 (9) The proceeds of the fees and penalties provided for in
- 3 this act shall be used for the administration of this act.