

SENATE BILL NO. 1062

May 26, 2022, Introduced by Senator MACDONALD and referred to the Committee on Finance.

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

1 rate of 2% approved by the electors on March 15, 1994 must be
2 deposited in the state school aid fund established in section 11 of
3 article IX of the state constitution of 1963.

4 (3) From the money received and collected under this act for
5 the state share, an amount equal to all revenue lost under the
6 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and
7 all revenue lost from basic school operating mills, as a result of
8 the exemption of personal property under sections 9m, 9n, and 9o of
9 the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and
10 211.9o, and all revenue lost to the school aid fund as a result of
11 the exemptions under sections 4(1)(gg) and 4cc, as determined by
12 the department, must be deposited into the state school aid fund
13 established by section 11 of article IX of the state constitution
14 of 1963. Funds deposited into the state school aid fund under this
15 subsection must not include the portion of the state share of the
16 use tax imposed at the additional rate of 2% approved by the
17 electors of this state on March 15, 1994 and dedicated for aid to
18 schools under subsection (2). A person that claims an exemption
19 under section 4cc shall report the purchase price of the data
20 center equipment as defined in section 4cc and any other
21 information necessary to determine the amount of revenue lost to
22 the school aid fund as a result of the exemption under section 4cc
23 annually on a form at the time and in a manner prescribed by the
24 department. The report required under this subsection must not
25 include any remittance for tax and does not constitute a return or
26 otherwise alleviate the person's obligations under section 6.

27 (4) Money received and collected under this act for the local
28 community stabilization share is not state funds, must not be
29 credited to the state treasury, and must be transmitted to the

1 authority for deposit in the treasury of the authority, to be
2 disbursed by the authority only as authorized under the local
3 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
4 123.1362. The local community stabilization share is a local tax,
5 not a state tax, and money received and collected for the local
6 community stabilization share is money of the authority and not
7 money of this state.

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

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

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

28 (6) The department shall, on an annual basis, reconcile the
29 amounts distributed under subsection (5) during each fiscal year

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

10 **(7) From the money received and collected under this act for**
11 **the state share, \$75,000,000.00 must be deposited annually into the**
12 **local government reimbursement fund created in section 3a of the**
13 **Michigan trust fund act, 2000 PA 489, MCL 12.253a.**

14 **(8) ~~(7)~~As used in this section:**

15 (a) "Aviation fuel" means fuel as that term is defined in
16 section 4 of the aeronautics code of the state of Michigan, 1945 PA
17 327, MCL 259.4.

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

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

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

27 Enacting section 1. This amendatory act takes effect December
28 31, 2022.

29 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 101st Legislature are
2 enacted into law:

3 (a) Senate Bill No. 1060.

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5 (b) Senate Bill No. 1061.

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