

HOUSE BILL NO. 4210

March 11, 2025, Introduced by Rep. Morgan and referred to Committee on Transportation and Infrastructure.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2023 PA 20.

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.

5 (2) Fifteen percent of the collections of the tax imposed at a
6 rate of 4% must be distributed to cities, villages, and 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% must be deposited in the state school aid fund 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 must be deposited in the state school aid fund.

(4) Except as otherwise provided in this subsection, **through September 30, 2025**, 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 must be deposited each year into the comprehensive transportation fund. For the fiscal year ending September 30, 2021 only, the amount deposited into the comprehensive transportation fund under this subsection must be reduced by \$18,000,000.00 and that \$18,000,000.00 must be deposited into the transportation administration collection fund. **From October 1, 2025 through September 30, 2026, not less than 60% 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 must be deposited each year into the comprehensive transportation fund.**

1 Beginning October 1, 2026, 25% of the collections of the general
2 sales tax imposed at a rate of 4% directly or indirectly on fuels
3 sold to propel motor vehicles upon highways, on the sale of motor
4 vehicles, and on the sale of the parts and accessories of motor
5 vehicles by new and used car businesses, used car businesses,
6 accessory dealer businesses, and gasoline station businesses as
7 classified by the department must be deposited each year into the
8 comprehensive transportation fund.

9 (5) Beginning October 1, 2016 and the first day of each
10 calendar quarter thereafter, an amount equal to the collections for
11 the calendar quarter that is 2 calendar quarters immediately
12 preceding the current calendar quarter of the tax imposed under
13 this act at the additional rate of 2% approved by the electors on
14 March 15, 1994 from the sale at retail of aviation fuel must be
15 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 sale at retail of aviation fuel must
18 be deposited in the state aeronautics fund and must be expended, on
19 appropriation, only for those purposes authorized in the
20 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
21 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 sale at retail of aviation fuel must
24 be deposited in the qualified airport fund and must be expended, on
25 appropriation, only for those purposes authorized under section 35
26 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL
27 259.35.

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 the state
5 treasurer's designee shall annually provide to the operator of each
6 qualified airport a report of the reconciliation performed under
7 this 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) An amount equal to the collections of the tax imposed at a
11 rate of 4% under this act from the sale at retail of computer
12 software must be deposited in the Michigan health initiative fund
13 created in section 5911 of the public health code, 1978 PA 368, MCL
14 333.5911, and must be considered in addition to, and is not
15 intended as a replacement for any other money appropriated to the
16 department of health and human services. The funds deposited in the
17 Michigan health initiative fund on an annual basis must not be less
18 than \$9,000,000.00 or more than \$12,000,000.00.

19 (8) In addition to the money deposited in the state school aid
20 fund under subsection (3), an amount equal to the sum of the
21 following, as determined by the department, must be deposited into
22 the state school aid fund:

23 (a) All revenue lost to the state school aid fund as a result
24 of the exemption under section 4a(1)(u).

25 (b) All revenue lost to the state school aid fund as a result
26 of the exemption under section 4ee. A person that claims an
27 exemption under section 4ee shall report the sales price of the
28 data center equipment as defined in section 4ee and any other
29 information necessary to determine the amount of revenue lost to

1 the state school aid fund as a result of the exemption under
2 section 4ee annually on a form at the time and in a manner
3 prescribed by the department. The report required under this
4 subdivision must not include any remittance for tax, and does not
5 constitute a return or otherwise alleviate any obligations under
6 section 6.

7 (c) All revenue lost to the state school aid fund as a result
8 of the exclusion under section 1(1)(d)(xv).

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

11 (10) As used in this section:

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

15 (b) "Comprehensive transportation fund" means the
16 comprehensive transportation fund created in section 10b of 1951 PA
17 51, MCL 247.660b.

18 (c) "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 (d) "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 (e) "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 (f) "State school aid fund" means the state school aid fund
28 established in section 11 of article IX of the state constitution
29 of 1963.

1 (g) "Transportation administration collection fund" means the
2 transportation administration collection fund created in section
3 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

4 Enacting section 1. This amendatory act does not take effect
5 unless Senate Bill No. ____ (request no. S00783'25) or House Bill
6 No. ____ (request no. H00783'25) of the 103rd Legislature is
7 enacted into law.