

SENATE BILL NO. 277

May 01, 2025, Introduced by Senators BUMSTEAD and CHERRY and referred to 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 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

1 rate of 4% must be distributed to cities, villages, and townships
2 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
3 PA 140, MCL 141.901 to 141.921.

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

10 (4) Except as otherwise provided in this subsection, not less
11 than 27.9% of 25% of the collections of the general sales tax
12 imposed at a rate of 4% directly or indirectly on fuels sold to
13 propel motor vehicles upon highways, on the sale of motor vehicles,
14 and on the sale of the parts and accessories of motor vehicles by
15 new and used car businesses, used car businesses, accessory dealer
16 businesses, and gasoline station businesses as classified by the
17 department must be deposited each year into the comprehensive
18 transportation fund. For the fiscal year ending September 30, 2021
19 only, the amount deposited into the comprehensive transportation
20 fund under this subsection must be reduced by \$18,000,000.00 and
21 that \$18,000,000.00 must be deposited into the transportation
22 administration collection fund.

23 **(5) Beginning with the 2025-2026 fiscal year and for each**
24 **subsequent fiscal year, the amount calculated and reported to the**
25 **department under section 43546 of the natural resources and**
26 **environmental protection act, 1994 PA 451, MCL 324.43546, of the**
27 **tax imposed at a rate of 4% must be deposited in the game and fish**
28 **protection account established under section 2010 of the natural**
29 **resources and environmental protection act, 1994 PA 451, MCL**

324.2010, and credited respectively to the pheasant subaccount created in section 43525c of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43525c, and the cold-water subaccount created in section 43532 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43532.

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

(a) An amount equal to 35% of the collections of the tax imposed at a rate of 2% on the sale at retail of aviation fuel must be deposited in the state aeronautics fund and must be expended, on appropriation, only for those purposes authorized in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208.

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

(7) ~~(6)~~—The department shall, on an annual basis, reconcile the amounts distributed under subsection ~~(5)~~—(6) during each fiscal year with the amounts actually collected for a particular fiscal year and shall make any necessary adjustments, positive or

1 negative, to the amounts to be distributed for the next successive
2 calendar quarter that begins January 1. The state treasurer or the
3 state treasurer's designee shall annually provide to the operator
4 of each qualified airport a report of the reconciliation performed
5 under this subsection. The reconciliation report is subject to the
6 confidentiality restrictions and penalties provided in section
7 28(1)(f) of 1941 PA 122, MCL 205.28.

8 **(8)** ~~(7)~~—An amount equal to the collections of the tax imposed
9 at a rate of 4% under this act from the sale at retail of computer
10 software must be deposited in the Michigan health initiative fund
11 created in section 5911 of the public health code, 1978 PA 368, MCL
12 333.5911, and must be considered in addition to, and is not
13 intended as a replacement for any other money appropriated to the
14 department of health and human services. The funds deposited in the
15 Michigan health initiative fund on an annual basis must not be less
16 than \$9,000,000.00 or more than \$12,000,000.00.

17 **(9)** ~~(8)~~—In addition to the money deposited in the state school
18 aid fund under subsection (3), an amount equal to the sum of the
19 following, as determined by the department, must be deposited into
20 the state school aid fund:

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

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

1 prescribed by the department. The report required under this
2 subdivision must not include any remittance for tax, and does not
3 constitute a return or otherwise alleviate any obligations under
4 section 6.

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

7 **(10)** ~~(9)~~—The balance in the state general fund shall be
8 disbursed only on an appropriation or appropriations by the
9 legislature.

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

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

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

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

29 (g) "Transportation administration collection fund" means the

1 transportation administration collection fund created in section
2 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

3 Enacting section 1. This amendatory act does not take effect
4 unless Senate Bill No. 276 of the 103rd Legislature is enacted into
5 law.