

SENATE BILL NO. 417

June 12, 2025, Introduced by Senator MCCANN and referred to Committee on Energy and Environment.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 695 (MCL 206.695), as amended by 2023 PA 4.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 695. (1) Except as otherwise provided under this section,
2 the revenue collected under this part ~~shall~~**must** be distributed to
3 the general fund. ~~If the amendatory act that added section 51h~~
4 ~~takes effect before April 18, 2023, then for the 2021-2022 state~~
5 ~~fiscal year only, from the tax levied under this part,~~
6 ~~\$800,000,000.00 of the revenue collected is appropriated and must~~

~~be deposited into the state treasury to the credit of the Michigan taxpayer rebate fund created in section 51h, and the balance of the revenue collected under this part for that state fiscal year shall be deposited to the general fund.~~

(2) Beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, from the tax levied under this part, the revenue collected under this part ~~shall~~**must** be deposited in the following manner:

(a) Up to \$1,200,000,000.00 to the general fund.

(b) After the deposit under subdivision (a), up to \$50,000,000.00, if available, to the Michigan housing and community development fund created in section 58a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458a.

(c) After the deposits under subdivisions (a) and (b), up to \$50,000,000.00, if available, to the revitalization and placemaking fund created in section 696.

(d) After the deposits under subdivisions (a), (b), and (c), up to \$500,000,000.00, if available, to the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254.

(e) The balance of any revenue collected under this part after the deposits under subdivisions (a), (b), (c), and (d), to the general fund.

(3) ~~Beginning with~~**For** the 2025-2026 state fiscal year **only**, from the tax levied under this part, **the revenue collected under this part must be deposited in the following manner:**

(a) ~~\$50,000,000.00 of the revenue collected under this part shall be deposited~~ to the Michigan housing and community development fund created in section 58a of the state housing

development authority act of 1966, 1966 PA 346, MCL 125.1458a. ~~and the~~

(b) After the deposit under subdivision (a), the balance of the revenue collected under this part ~~for that state fiscal year shall be deposited~~ to the general fund.

(4) Beginning with the 2026-2027 state fiscal year, from the tax levied under this part, the revenue collected under this part must be deposited in the following manner:

(a) \$50,000,000.00 to the Michigan housing and community development fund created in section 58a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458a.

(b) After the deposit under subdivision (a), if available, \$60,000,000.00 to the beverage container handling fund created in section 2b of 1976 IL 1, MCL 445.572b. For each state fiscal year after state fiscal year 2026-2027, the amount under this subdivision must be adjusted annually for inflation by dividing the average United States Consumer Price Index for the calendar year ending during the fiscal year by the average United States Consumer Price Index for the calendar year ending in the immediately preceding fiscal year.

(c) After the deposits under subdivisions (a) and (b), the balance of the revenue collected under this part for that state fiscal year to the general fund.

(5) As used in this section, "United States Consumer Price Index" means the United States Consumer Price Index for all urban consumers as defined and reported by the United States Department of Labor, Bureau of Labor Statistics.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 416 of the 103rd Legislature is enacted into

1 law and approved by a majority of the electors of this state voting
2 on the question at the general election to be held November 3,
3 2026.