

HOUSE BILL NO. 4215

March 08, 2023, Introduced by Reps. Tyrone Carter, Fitzgerald, Steckloff, Weiss, Tsernoglou, Skaggs, Byrnes, Brabec, McFall, Snyder, Liberati, Haadsma, Rheingans, Paiz, McKinney, Martus, Hoskins, Hood, Grant, Glanville, MacDonell and Morgan and referred to the Committee on Tax Policy.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2021 PA 108.

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

1 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
2 PA 140, MCL 141.901 to 141.921.

3 (3) Sixty percent of the collections of the tax imposed at a
4 rate of 4% must be deposited in the state school aid fund
5 established in section 11 of article IX of the state constitution
6 of 1963 and distributed as provided by law. In addition, all of the
7 collections of the tax imposed at the additional rate of 2%
8 approved by the electors on March 15, 1994 must be deposited in the
9 state school 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 October 1, 2016 and the first day of each
24 calendar quarter thereafter, an amount equal to the collections for
25 the calendar quarter that is 2 calendar quarters immediately
26 preceding the current calendar quarter of the tax imposed under
27 this act at the additional rate of 2% approved by the electors on
28 March 15, 1994 from the sale at retail of aviation fuel must be
29 distributed as follows:

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

7 (b) An amount equal to 65% of the collections of the tax
8 imposed at a rate of 2% on the sale at retail of aviation fuel must
9 be deposited in the qualified airport fund and must be expended, on
10 appropriation, only for those purposes authorized under section 35
11 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL
12 259.35.

13 (6) The department shall, on an annual basis, reconcile the
14 amounts distributed under subsection (5) during each fiscal year
15 with the amounts actually collected for a particular fiscal year
16 and shall make any necessary adjustments, positive or negative, to
17 the amounts to be distributed for the next successive calendar
18 quarter that begins January 1. The state treasurer or ~~his or her~~
19 **the state treasurer's** designee shall annually provide to the
20 operator of each qualified airport a report of the reconciliation
21 performed under this subsection. The reconciliation report is
22 subject to the confidentiality restrictions and penalties provided
23 in section 28(1)(f) of 1941 PA 122, MCL 205.28.

24 (7) An amount equal to the collections of the tax imposed at a
25 rate of 4% under this act from the sale at retail of computer
26 software must be deposited in the Michigan health initiative fund
27 created in section 5911 of the public health code, 1978 PA 368, MCL
28 333.5911, and must be considered in addition to, and is not
29 intended as a replacement for any other money appropriated to the

1 department of health and human services. The funds deposited in the
2 Michigan health initiative fund on an annual basis must not be less
3 than \$9,000,000.00 or more than \$12,000,000.00.

4 (8) An amount equal to all revenue lost to the state school
5 aid fund as a result of the exemptions under sections 4a(1)(u) and
6 4ee, as determined by the department, must be deposited into the
7 state school aid fund established in section 11 of article IX of
8 the state constitution of 1963. Money deposited into the state
9 school aid fund under this subsection must not include and must be
10 considered in addition to money deposited in the state school aid
11 fund under subsection (3). A person that claims an exemption under
12 section 4ee shall report the sales price of the data center
13 equipment as defined in section 4ee and any other information
14 necessary to determine the amount of revenue lost to the state
15 school aid fund as a result of the exemption under section 4ee
16 annually on a form at the time and in a manner prescribed by the
17 department. The report required under this subsection must not
18 include any remittance for tax, and does not constitute a return or
19 otherwise alleviate any obligations under section 6.

20 (9) **An amount equal to the collections of the tax imposed at a**
21 **rate of 4% under this act from the sale at retail of firearms and**
22 **ammunition must be deposited in the trigger lock distribution fund**
23 **created in section 9524 of the public health code, 1978 PA 368, MCL**
24 **333.9524, and must be considered in addition to, and is not**
25 **intended as a replacement for any other money appropriated to the**
26 **department of health and human services. The funds deposited in the**
27 **trigger lock distribution fund on an annual basis must not be less**
28 **than \$1,000,000.00 or more than \$3,000,000.00.**

29 (10) ~~(9)~~—The balance in the state general fund shall be

1 disbursed only on an appropriation or appropriations by the
2 legislature.

3 (11) ~~(10)~~—As used in this section:

4 (a) **"Ammunition" means any projectile that, in its current**
5 **state, may be expelled from a firearm by an explosive.**

6 (b) ~~(a)~~—"Aviation fuel" means fuel as that term is defined in
7 section 4 of the aeronautics code of the state of Michigan, 1945 PA
8 327, MCL 259.4.

9 (c) ~~(b)~~—"Comprehensive transportation fund" means the
10 comprehensive transportation fund created in section 10b of 1951 PA
11 51, MCL 247.660b.

12 (d) **"Firearm" means any weapon that will, is designed to, or**
13 **may readily be converted to expel a projectile by action of an**
14 **explosive.**

15 (e) ~~(e)~~—"Qualified airport" means that term as defined in
16 section 109 of the aeronautics code of the state of Michigan, 1945
17 PA 327, MCL 259.109.

18 (f) ~~(d)~~—"Qualified airport fund" means the qualified airport
19 fund created in section 34(2) of the aeronautics code of the state
20 of Michigan, 1945 PA 327, MCL 259.34.

21 (g) ~~(e)~~—"State aeronautics fund" means the state aeronautics
22 fund created in section 34(1) of the aeronautics code of the state
23 of Michigan, 1945 PA 327, MCL 259.34.

24 (h) ~~(f)~~—"Transportation administration collection fund" means
25 the transportation administration collection fund created in
26 section 810b of the Michigan vehicle code, 1949 PA 300, MCL
27 257.810b.

28 Enacting section 1. This amendatory act does not take effect
29 unless Senate Bill No. ____ or House Bill No. 4214 (request no.

1 02003'23) of the 102nd Legislature is enacted into law.