

# HOUSE BILL NO. 4554

May 11, 2023, Introduced by Reps. Mentzer, Fitzgerald, McFall and Shannon and referred to the Committee on Tax Policy.

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) Beginning with the fiscal year ending September 30, 2024**  
11 **and each fiscal year thereafter, from the money received and**  
12 **collected under this act for the state share, \$75,000,000.00 must**  
13 **be deposited into the local government reimbursement fund created**  
14 **in section 3a of the Michigan trust fund act, 2000 PA 489, MCL**  
15 **12.253a.**

16 **(8) ~~(7)~~—As used in this section:**

17 (a) "Aviation fuel" means fuel as that term is defined in  
18 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
19 327, MCL 259.4.

20 (b) "Qualified airport" means that term as defined in section  
21 109 of the aeronautics code of the state of Michigan, 1945 PA 327,  
22 MCL 259.109.

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

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

29 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 102nd Legislature are  
2 enacted into law:

3 (a) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
4 02572'23).

5 (b) Senate Bill No.\_\_\_\_ or House Bill No. 4553 (request no.  
6 02573'23).