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HOUSE BILL No. 5656

February 27, 2018, Introduced by Reps. Rabhi, Sabo, Neeley, Lucido, Elder, LaGrand, Sowerby and Lasinski and referred to the Committee on Natural Resources.

A bill to levy an excise tax on the bottling of water; to provide for the levy, collection, and administration of the excise tax; to provide certain reporting requirements; to provide for certain penalties; to provide certain exemptions and refunds; and to provide for the distribution of the excise tax.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- Sec. 1. This act shall be known and may be cited as the
 "bottled water excise tax act".
 - Sec. 2. As used in this act:
 - (a) "Bottled water operator" means a person engaged in the business of bottling or packaging water for sale in containers of 5.7 gallons or less from a nonmunicipal source.
 - (b) "Bottled water excise tax" means the excise tax imposed

02992**'**17 JLB

- 1 under section 3.
- 2 (c) "Department" means the department of treasury.
- 3 (d) "Person" means an individual, partnership, corporation,
- 4 association, governmental entity, or other legal entity.
- 5 Sec. 3. (1) The bottled water excise tax is levied on each
- 6 bottled water operator engaged in the business of bottling water in
- 7 this state from a nonmunicipal source.
- 8 (2) The bottled water excise tax is imposed at a rate of 4% of
- 9 the wholesale price of the bottled water.
- Sec. 4. (1) Each bottled water operator shall prepare and
- 11 submit to the department a report on or before the twenty-fifth day
- 12 of each month in the form and manner required by the department,
- 13 showing the total amount of water bottled during the preceding
- 14 month, the wholesale price of the bottled water, and other
- 15 information required by the department.
- 16 (2) The bottled water excise tax shall be paid each month to
- 17 the department at the same time the report is submitted.
- 18 Sec. 5. Each bottled water operator shall prepare, keep, and
- 19 preserve a full and complete record of all water bottled in this
- 20 state, and that record shall be open at all times to the inspection
- 21 of the state tax commission.
- 22 Sec. 6. (1) The bottled water excise tax imposed by this act
- 23 shall be administered by the department of treasury, under 1941 PA
- 24 122, MCL 205.1 to 205.31, and this act. In case of conflict between
- 25 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of
- 26 this act shall prevail.
- 27 (2) The department may promulgate rules to implement this act

02992**'**17 JLB

- 1 pursuant to the administrative procedures act of 1969, 1969 PA 306,
- 2 MCL 24.201 to 24.328.
- 3 Sec. 7. In an action filed under the direction of the attorney
- 4 general, the circuit court for the county of Ingham may restrain by
- 5 injunction any bottled water operator or person who has failed to
- 6 comply with this act and in the same manner to restrain any bottled
- 7 water operator or person from continuing to bottle water while
- 8 delinquent in the filing of any report or the paying of any tax,
- 9 penalty, or cost required under this act.
- Sec. 8. All taxes, penalties, or costs paid to the department
- 11 under this act shall be paid into the state treasury and shall be
- 12 credited to the state drinking water revolving fund established in
- 13 section 16b of the shared credit rating act, 1985 PA 227, MCL
- **14** 141.1066b.

02992'17 Final Page JLB