

# SENATE JOINT RESOLUTION L

May 17, 2006, Introduced by Senators JACOBS and BRATER and referred to the Committee on Finance.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to permit a public transportation authority to levy a supplemental sales tax.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to permit a public transportation authority to levy a supplemental sales tax, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than 4%

1 of their gross taxable sales of tangible personal property.

2 Beginning May 1, 1994, the sales tax shall be imposed on  
3 retailers at an additional rate of 2% of their gross taxable sales  
4 of tangible personal property not exempt by law and the use tax at  
5 an additional rate of 2%. The proceeds of the sales and use taxes  
6 imposed at the additional rate of 2% shall be deposited in the  
7 state school aid fund established in section 11 of this article.  
8 The allocation of sales tax revenue required or authorized by  
9 sections 9 and 10 of this article does not apply to the revenue  
10 from the sales tax imposed at the additional rate of 2%.

11 BEGINNING JANUARY 1, 2007, A COUNTY, OR TWO OR MORE COUNTIES  
12 ACTING JOINTLY, MAY, IF APPROVED BY A MAJORITY OF THE QUALIFIED  
13 ELECTORS RESIDING WITHIN THE COUNTY OR COUNTIES VOTING AT A GENERAL  
14 ELECTION OR SPECIAL ELECTION CALLED FOR THAT PURPOSE, IMPOSE ON  
15 RETAILERS LOCATED WITHIN THE LIMITS OF THE COUNTY OR COUNTIES A  
16 SUPPLEMENTAL SALES TAX OF .5% OF THE RETAILERS' GROSS TAXABLE SALES  
17 OF TANGIBLE PERSONAL PROPERTY NOT EXEMPT BY LAW, THE PROCEEDS OF  
18 WHICH SHALL BE USED TO FUND AND OPERATE A RAPID TRANSIT SYSTEM  
19 LOCATED IN THAT COUNTY OR COUNTIES, AND A SUPPLEMENTAL SALES TAX OF  
20 .5% OF THE RETAILERS' GROSS TAXABLE SALES OF TANGIBLE PERSONAL  
21 PROPERTY NOT EXEMPT BY LAW, THE PROCEEDS OF WHICH SHALL BE USED TO  
22 FUND ROAD IMPROVEMENTS WITHIN THE COUNTY OR COUNTIES.

23 No sales tax or use tax shall be charged or collected from and  
24 after January 1, 1975 on the sale or use of prescription drugs for  
25 human use, or on the sale or use of food for human consumption  
26 except in the case of prepared food intended for immediate  
27 consumption as defined by law. This provision shall not apply to

1 alcoholic beverages.

2       Resolved further, That the foregoing amendment shall be  
3 submitted to the people of the state at the next general election  
4 in the manner provided by law.