

SUBSTITUTE FOR
SENATE BILL NO. 613

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
by amending section 25 (MCL 205.75), as amended by 2012 PA 226, and
by adding section 6c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 6C. (1) BEGINNING APRIL 1, 2016 AND EACH CALENDAR QUARTER
2 THEREAFTER, EACH TAXPAYER MAKING SALES AT RETAIL OF AVIATION FUEL
3 SHALL, ON OR BEFORE THE LAST DAY OF THE MONTH IN THE MONTH THAT
4 IMMEDIATELY FOLLOWS THE END OF A CALENDAR QUARTER, FILE AN
5 INFORMATIONAL REPORT WITH THE DEPARTMENT ON A FORM PRESCRIBED BY
6 THE DEPARTMENT SHOWING ALL OF THE FOLLOWING FOR THE IMMEDIATELY
7 PRECEDING CALENDAR QUARTER:

8 (A) THE ENTIRE AMOUNT OF THE TAXPAYER'S TAXABLE SALES AT
9 RETAIL OF AVIATION FUEL.

10 (B) THE GROSS PROCEEDS OF THE TAXPAYER'S BUSINESS FROM TAXABLE

1 SALES AT RETAIL OF AVIATION FUEL.

2 (C) THE AMOUNT OF TAX FOR WHICH THE TAXPAYER IS LIABLE FROM
3 SALES AT RETAIL OF AVIATION FUEL.

4 (D) THE NUMBER OF TAXABLE GALLONS OF AVIATION FUEL SOLD BY THE
5 TAXPAYER AT EACH AIRPORT AND THE GROSS PROCEEDS FROM THE SALES OF
6 THOSE GALLONS OF AVIATION FUEL.

7 (E) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
8 FOR THE PROPER ADMINISTRATION OF THIS ACT.

9 (2) THE REPORT REQUIRED UNDER THIS SECTION SHALL NOT INCLUDE
10 ANY REMITTANCE FOR TAX, AND DOES NOT CONSTITUTE A RETURN OR
11 OTHERWISE ALLEVIATE THE TAXPAYER'S OBLIGATIONS UNDER SECTION 6.

12 (3) A TAXPAYER REQUIRED TO FILE THE INFORMATIONAL REPORT UNDER
13 THIS SECTION THAT FAILS OR REFUSES TO FILE THE INFORMATIONAL REPORT
14 WITHIN THE TIME AND IN THE MANNER SPECIFIED IN THIS SECTION SHALL
15 BE LIABLE FOR A PENALTY OF \$10.00 PER DAY FOR EACH DAY FOR EACH
16 SEPARATE FAILURE OR REFUSAL UP TO, BUT NOT EXCEEDING, A MAXIMUM
17 PENALTY OF \$500.00 FOR EACH SEPARATE VIOLATION. THE DEPARTMENT MAY
18 WAIVE THE PENALTY IF THE TAXPAYER DEMONSTRATES TO THE SATISFACTION
19 OF THE DEPARTMENT THAT THE FAILURE TO FILE WAS DUE TO REASONABLE
20 CAUSE.

21 (4) AS USED IN THIS SECTION, "AVIATION FUEL" MEANS FUEL AS
22 THAT TERM IS DEFINED IN SECTION 4 OF THE AERONAUTICS CODE OF THE
23 STATE OF MICHIGAN, 1945 PA 327, MCL 259.4.

24 Sec. 25. (1) All money received and collected under this act
25 shall be deposited by the department in the state treasury to the
26 credit of the general fund, except as otherwise provided in this
27 section.

1 (2) Fifteen percent of the collections of the tax imposed at a
2 rate of 4% shall be distributed to cities, villages, and townships
3 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971
4 PA 140, MCL 141.901 to 141.921.

5 (3) Sixty percent of the collections of the tax imposed at a
6 rate of 4% shall be deposited in the state school aid fund
7 established in section 11 of article IX of the state constitution
8 of 1963 and distributed as provided by law. In addition, all of the
9 collections of the tax imposed at the additional rate of 2%
10 approved by the electors March 15, 1994 shall be deposited in the
11 state school aid fund.

12 (4) Not less than 27.9% of 25% of the collections of the
13 general sales tax imposed at a rate of 4% directly or indirectly on
14 fuels sold to propel motor vehicles upon highways, on the sale of
15 motor vehicles, and on the sale of the parts and accessories of
16 motor vehicles by new and used car businesses, used car businesses,
17 accessory dealer businesses, and gasoline station businesses as
18 classified by the department ~~of treasury~~ shall be deposited each
19 year into the comprehensive transportation fund created in section
20 10b of 1951 PA 51, MCL 247.660b.

21 ~~—— (5) For the fiscal year ending September 30, 2013 only, an~~
22 ~~amount equal to 18% of the collections of the tax imposed at a rate~~
23 ~~of 4% under this act from the sale of motor fuel, as that term is~~
24 ~~defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL~~
25 ~~207.1004, shall be distributed as follows:~~

26 ~~—— (a) An amount sufficient to match available federal highway~~
27 ~~funds shall be deposited into the state trunk line fund created in~~

1 ~~section 11 of 1951 PA 51, MCL 247.661, for the purpose of matching~~
2 ~~federal aid highway funds as those federal funds are made available~~
3 ~~to this state, but not less than 39.1% subject to subdivision (c).~~

4 ~~—— (b) After the distribution under subdivision (a), any~~
5 ~~remaining balance, subject to subdivision (c), shall be distributed~~
6 ~~as follows:~~

7 ~~—— (i) 66% to the county road commissions of this state, which~~
8 ~~distribution shall be administered under section 12 of 1951 PA 51,~~
9 ~~MCL 247.662.~~

10 ~~—— (ii) 34% to the cities and villages of this state, which~~
11 ~~distribution shall be administered under section 13 of 1951 PA 51,~~
12 ~~MCL 247.663.~~

13 ~~—— (c) Funds distributed under this subsection shall not exceed~~
14 ~~\$100,000,000.00.~~

15 ~~—— (6) For the fiscal year ending September 30, 2013 only and~~
16 ~~except as otherwise limited in this subsection after the~~
17 ~~allocations and distributions are made pursuant to subsections (2)~~
18 ~~and (3), an amount equal to the collections of the tax imposed at a~~
19 ~~rate of 4% under this act from the sale at retail of aviation fuel~~
20 ~~and aviation products shall be deposited in the state aeronautics~~
21 ~~fund and shall be expended, on appropriation, only for those~~
22 ~~purposes authorized in the aeronautics code of the state of~~
23 ~~Michigan, 1945 PA 327, MCL 259.1 to 259.208. Not more than~~
24 ~~\$10,000,000.00 shall be deposited in the state aeronautics fund~~
25 ~~under this subsection. As used in this subsection, "state~~
26 ~~aeronautics fund" means the state aeronautics fund created in~~
27 ~~section 34 of the aeronautics code of the state of Michigan, 1945~~

Senate Bill No. 613 as amended December 10, 2015

1 ~~PA 327, MCL 259.34.~~

2 (5) BEGINNING OCTOBER 1, 2016 AND THE FIRST DAY OF EACH
3 CALENDAR QUARTER THEREAFTER, AN AMOUNT EQUAL TO THE COLLECTIONS FOR
4 THE CALENDAR QUARTER THAT IS 2 CALENDAR QUARTERS IMMEDIATELY
5 PRECEDING THE CURRENT CALENDAR QUARTER OF THE TAX IMPOSED UNDER
6 THIS ACT AT THE ADDITIONAL RATE OF 2% APPROVED BY THE ELECTORS ON
7 MARCH 15, 1994 FROM THE SALE AT RETAIL OF AVIATION FUEL SHALL BE
8 DISTRIBUTED AS FOLLOWS:

9 (A) AN AMOUNT EQUAL TO 35% OF THE COLLECTIONS OF THE TAX
10 IMPOSED AT A RATE OF 2% ON THE SALE AT RETAIL OF AVIATION FUEL
11 SHALL BE DEPOSITED IN THE STATE AERONAUTICS FUND AND SHALL BE
12 EXPENDED, ON APPROPRIATION, ONLY FOR THOSE PURPOSES AUTHORIZED IN
13 THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327, MCL
14 259.1 TO 259.208.

15 (B) AN AMOUNT EQUAL TO 65% OF THE COLLECTIONS OF THE TAX
16 IMPOSED AT A RATE OF 2% ON THE SALE AT RETAIL OF AVIATION FUEL
17 SHALL BE DEPOSITED IN THE QUALIFIED AIRPORT FUND AND SHALL BE
18 EXPENDED, ON APPROPRIATION, ONLY FOR THOSE PURPOSES AUTHORIZED
19 UNDER SECTION [35] OF THE AERONAUTICS CODE OF THE STATE OF
20 MICHIGAN, 1945 PA 327, MCL 259.35.

21 (6) THE DEPARTMENT SHALL, ON AN ANNUAL BASIS, RECONCILE THE
22 AMOUNTS DISTRIBUTED UNDER SUBSECTION (5) DURING EACH FISCAL YEAR
23 WITH THE AMOUNTS ACTUALLY COLLECTED FOR A PARTICULAR FISCAL YEAR
24 AND SHALL MAKE ANY NECESSARY ADJUSTMENTS, POSITIVE OR NEGATIVE, TO
25 THE AMOUNTS TO BE DISTRIBUTED FOR THE NEXT SUCCESSIVE CALENDAR
26 QUARTER THAT BEGINS JANUARY 1. THE STATE TREASURER OR HIS OR HER
27 DESIGNEE SHALL ANNUALLY PROVIDE TO THE OPERATOR OF EACH QUALIFIED

1 AIRPORT A REPORT OF THE RECONCILIATION PERFORMED UNDER THIS
2 SUBSECTION. THE RECONCILIATION REPORT IS SUBJECT TO THE
3 CONFIDENTIALITY RESTRICTIONS AND PENALTIES PROVIDED IN SECTION
4 28(1)(F) OF 1941 PA 122, MCL 205.28.

5 (7) An amount equal to the collections of the tax imposed at a
6 rate of 4% under this act from the sale at retail of computer
7 software as defined in section 1a shall be deposited in the
8 Michigan health initiative fund created in section 5911 of the
9 public health code, 1978 PA 368, MCL 333.5911, and shall be
10 considered in addition to, and is not intended as a replacement for
11 any other money appropriated to the department of community health
12 OR ITS SUCCESSOR. The funds deposited in the Michigan health
13 initiative fund on an annual basis shall not be less than
14 \$9,000,000.00 or more than \$12,000,000.00.

15 (8) The balance in the state general fund shall be disbursed
16 only on an appropriation or appropriations by the legislature.

17 (9) AS USED IN THIS SECTION:

18 (A) "AVIATION FUEL" MEANS FUEL AS THAT TERM IS DEFINED IN
19 SECTION 4 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA
20 327, MCL 259.4.

21 (B) "QUALIFIED AIRPORT" MEANS THAT TERM AS DEFINED IN SECTION
22 109 OF THE AERONAUTICS CODE OF THE STATE OF MICHIGAN, 1945 PA 327,
23 MCL 259.109.

24 (C) "QUALIFIED AIRPORT FUND" MEANS THE QUALIFIED AIRPORT FUND
25 CREATED IN SECTION 34(2) OF THE AERONAUTICS CODE OF THE STATE OF
26 MICHIGAN, 1945 PA 327, MCL 259.34.

27 (D) "STATE AERONAUTICS FUND" MEANS THE STATE AERONAUTICS FUND

1 **CREATED IN SECTION 34(1) OF THE AERONAUTICS CODE OF THE STATE OF**
2 **MICHIGAN, 1945 PA 327, MCL 259.34.**

3 Enacting section 1. This amendatory act takes effect 90 days
4 after the date it is enacted into law.

5 Enacting section 2. This amendatory act does not take effect
6 unless all of the following bills of the 98th Legislature are
7 enacted into law:

8 (a) Senate Bill No. 418.

9 (b) Senate Bill No. 425.

10 (c) Senate Bill No. 426.

11 (d) Senate Bill No. 612.

12 (e) Senate Bill No. 614.