

# SENATE BILL NO. 256

March 18, 2021, Introduced by Senator VICTORY and referred to the Committee on Appropriations.

A bill to amend 1933 PA 167, entitled  
"General sales tax act,"  
by amending section 25 (MCL 205.75), as amended by 2020 PA 29.

**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

1 rate of 4% must be distributed to cities, villages, and townships  
 2 pursuant to the Glenn Steil state revenue sharing act of 1971, 1971  
 3 PA 140, MCL 141.901 to 141.921.

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

11 (4) ~~Not~~ **Except as otherwise provided in this subsection, not**  
 12 less than 27.9% of 25% of the collections of the general sales tax  
 13 imposed at a rate of 4% directly or indirectly on fuels sold to  
 14 propel motor vehicles upon highways, on the sale of motor vehicles,  
 15 and on the sale of the parts and accessories of motor vehicles by  
 16 new and used car businesses, used car businesses, accessory dealer  
 17 businesses, and gasoline station businesses as classified by the  
 18 department must be deposited each year into the comprehensive  
 19 transportation fund. ~~created in section 10b of 1951 PA 51, MCL~~  
 20 ~~247.660b.~~ **For the fiscal year ending September 30, 2021 only, the**  
 21 **amount deposited into the comprehensive transportation fund under**  
 22 **this subsection must be reduced by \$18,000,000.00 and that**  
 23 **\$18,000,000.00 must be deposited into the transportation**  
 24 **administration collection fund.**

25 (5) Beginning October 1, 2016 and the first day of each  
 26 calendar quarter thereafter, an amount equal to the collections for  
 27 the calendar quarter that is 2 calendar quarters immediately  
 28 preceding the current calendar quarter of the tax imposed under  
 29 this act at the additional rate of 2% approved by the electors on

1 March 15, 1994 from the sale at retail of aviation fuel must be  
2 distributed as follows:

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

9 (b) An amount equal to 65% of the collections of the tax  
10 imposed at a rate of 2% on the sale at retail of aviation fuel must  
11 be deposited in the qualified airport fund and must be expended, on  
12 appropriation, only for those purposes authorized under section 35  
13 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL  
14 259.35.

15 (6) The department shall, on an annual basis, reconcile the  
16 amounts distributed under subsection (5) during each fiscal year  
17 with the amounts actually collected for a particular fiscal year  
18 and shall make any necessary adjustments, positive or negative, to  
19 the amounts to be distributed for the next successive calendar  
20 quarter that begins January 1. The state treasurer or his or her  
21 designee shall annually provide to the operator of each qualified  
22 airport a report of the reconciliation performed under this  
23 subsection. The reconciliation report is subject to the  
24 confidentiality restrictions and penalties provided in section  
25 28(1)(f) of 1941 PA 122, MCL 205.28.

26 (7) An amount equal to the collections of the tax imposed at a  
27 rate of 4% under this act from the sale at retail of computer  
28 software must be deposited in the Michigan health initiative fund  
29 created in section 5911 of the public health code, 1978 PA 368, MCL

1 333.5911, and must be considered in addition to, and is not  
2 intended as a replacement for any other money appropriated to the  
3 department of health and human services. The funds deposited in the  
4 Michigan health initiative fund on an annual basis must not be less  
5 than \$9,000,000.00 or more than \$12,000,000.00.

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

22 (9) The balance in the state general fund shall be disbursed  
23 only on an appropriation or appropriations by the legislature.

24 (10) As used in this section:

25 (a) "Aviation fuel" means fuel as that term is defined in  
26 section 4 of the aeronautics code of the state of Michigan, 1945 PA  
27 327, MCL 259.4.

28 (b) **"Comprehensive transportation fund" means the**  
29 **comprehensive transportation fund created in section 10b of 1951 PA**

1 **51, MCL 247.660b.**

2 (c) ~~(b)~~—"Qualified airport" means that term as defined in  
3 section 109 of the aeronautics code of the state of Michigan, 1945  
4 PA 327, MCL 259.109.

5 (d) ~~(e)~~—"Qualified airport fund" means the qualified airport  
6 fund created in section 34(2) of the aeronautics code of the state  
7 of Michigan, 1945 PA 327, MCL 259.34.

8 (e) ~~(d)~~—"State aeronautics fund" means the state aeronautics  
9 fund created in section 34(1) of the aeronautics code of the state  
10 of Michigan, 1945 PA 327, MCL 259.34.

11 (f) "Transportation administration collection fund" means the  
12 transportation administration collection fund created in section  
13 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.