

HOUSE BILL NO. 4818

May 11, 2021, Introduced by Rep. Ellison 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 2020 PA 30.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) Except as provided in subsections (2), (3), (4),
2 and (5), all money received and collected under this act must be
3 deposited by the department of treasury in the state treasury to
4 the credit of the general fund, to be disbursed only by
5 appropriations by the legislature.

1 (2) The collections from the use tax imposed at the additional
2 rate of 2% approved by the electors on March 15, 1994 must be
3 deposited in the state school aid fund established in section 11 of
4 article IX of the state constitution of 1963.

5 (3) From the money received and collected under this act for
6 the state share, an amount equal to all revenue lost under the
7 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, **as a**
8 **result of the exemption of personal property under sections 9m, 9n,**
9 **and 9o of the general property tax act, 1893 PA 206, MCL 211.9m,**
10 **211.9n, and 211.9o,** all revenue lost from basic school operating
11 mills as a result of the exemption of personal property under
12 sections 9m, 9n, and 9o of the general property tax act, 1893 PA
13 206, MCL 211.9m, 211.9n, and 211.9o, and all revenue lost to the
14 school aid fund as a result of the exemption under section 4cc, as
15 determined by the department, must be deposited into the state
16 school aid fund established by section 11 of article IX of the
17 state constitution of 1963. Funds deposited into the state school
18 aid fund under this subsection must not include the portion of the
19 state share of the use tax imposed at the additional rate of 2%
20 approved by the electors of this state on March 15, 1994 and
21 dedicated for aid to schools under subsection (2). A person that
22 claims an exemption under section 4cc shall report the purchase
23 price of the data center equipment as defined in section 4cc and
24 any other information necessary to determine the amount of revenue
25 lost to the school aid fund as a result of the exemption under
26 section 4cc annually on a form at the time and in a manner
27 prescribed by the department. The report required under this
28 subsection ~~shall~~**must** not include any remittance for tax and does
29 not constitute a return or otherwise alleviate the person's

1 obligations under section 6.

2 (4) Money received and collected under this act for the local
3 community stabilization share is not state funds, must not be
4 credited to the state treasury, and must be transmitted to the
5 authority for deposit in the treasury of the authority, to be
6 disbursed by the authority only as authorized under the local
7 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
8 123.1362. The local community stabilization share is a local tax,
9 not a state tax, and money received and collected for the local
10 community stabilization share is money of the authority and not
11 money of this state.

12 (5) Beginning October 1, 2016 and the first day of each
13 calendar quarter thereafter, from the money received and collected
14 under this act for the state share, an amount equal to the
15 collections for the calendar quarter that is 2 calendar quarters
16 immediately preceding the current calendar quarter of the tax
17 imposed under this act at the additional rate of 2% approved by the
18 electors on March 15, 1994 from the use, storage, or consumption of
19 aviation fuel must be distributed as follows:

20 (a) An amount equal to 35% of the collections of the tax
21 imposed at a rate of 2% on the use, storage, or consumption of
22 aviation fuel must be deposited in the state aeronautics fund and
23 must be expended, on appropriation, only for those purposes
24 authorized in the aeronautics code of the state of Michigan, 1945
25 PA 327, MCL 259.1 to 259.208.

26 (b) An amount equal to 65% of the collections of the tax
27 imposed at a rate of 2% on the use, storage, or consumption of
28 aviation fuel must be deposited in the qualified airport fund and
29 must be expended, on appropriation, only for those purposes

1 authorized under section 35 of the aeronautics code of the state of
2 Michigan, 1945 PA 327, MCL 259.35.

3 (6) The department shall, on an annual basis, reconcile the
4 amounts distributed under subsection (5) during each fiscal year
5 with the amounts actually collected for a particular fiscal year
6 and shall make any necessary adjustments, positive or negative, to
7 the amounts to be distributed for the next successive calendar
8 quarter that begins January 1. The state treasurer or his or her
9 designee shall annually provide to the operator of each qualified
10 airport a report of the reconciliation performed under this
11 subsection. The reconciliation report is subject to the
12 confidentiality restrictions and penalties provided in section
13 28(1)(f) of 1941 PA 122, MCL 205.28.

14 (7) As used in this section:

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

18 (b) "Qualified airport" means that term as defined in section
19 109 of the aeronautics code of the state of Michigan, 1945 PA 327,
20 MCL 259.109.

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

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