

HOUSE BILL NO. 4143

February 26, 2025, Introduced by Rep. Farhat and referred to Committee on Transportation and Infrastructure.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 695 (MCL 206.695), as amended by 2023 PA 4.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 695. (1) Except as otherwise provided under this section,
2 the revenue collected under this part ~~shall~~**must** be distributed to
3 the general fund. ~~If the amendatory act that added section 51h~~
4 ~~takes effect before April 18, 2023, then for the 2021-2022 state~~
5 ~~fiscal year only, from the tax levied under this part,~~
6 ~~\$800,000,000.00 of the revenue collected is appropriated and must~~

1 ~~be deposited into the state treasury to the credit of the Michigan~~
2 ~~taxpayer rebate fund created in section 51h, and the balance of the~~
3 ~~revenue collected under this part for that state fiscal year shall~~
4 ~~be deposited to the general fund.~~

5 (2) Beginning with the 2022-2023 state fiscal year through the
6 2024-2025 state fiscal year, from the tax levied under this part,
7 the revenue collected under this part ~~shall~~**must** be deposited in
8 the following manner:

9 (a) Up to \$1,200,000,000.00 to the general fund.

10 (b) After the deposit under subdivision (a), up to
11 \$50,000,000.00, if available, to the Michigan housing and community
12 development fund created in section 58a of the state housing
13 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

14 (c) After the deposits under subdivisions (a) and (b), up to
15 \$50,000,000.00, if available, to the revitalization and placemaking
16 fund created in section 696.

17 (d) After the deposits under subdivisions (a), (b), and (c),
18 up to \$500,000,000.00, if available, to the strategic outreach and
19 attraction reserve fund created in section 4 of the Michigan trust
20 fund act, 2000 PA 489, MCL 12.254.

21 (e) The balance of any revenue collected under this part after
22 the deposits under subdivisions (a), (b), (c), and (d), to the
23 general fund.

24 (3) ~~Beginning with~~**For** the 2025-2026 state fiscal year **only**,
25 from the tax levied under this part, ~~\$50,000,000.00 of the revenue~~
26 ~~collected under this part shall~~**must** be deposited ~~to the Michigan~~
27 ~~housing and community development fund created in section 58a of~~
28 ~~the state housing development authority act of 1966, 1966 PA 346,~~
29 ~~MCL 125.1458a, and the balance of the revenue collected under this~~

1 ~~part for that state fiscal year shall be deposited to the general~~
2 ~~fund in the following manner:~~

3 (a) Up to \$500,000,000.00 to the department of transportation
4 for county road commissions of this state. Funds distributed to
5 county road commissions under this subparagraph must be distributed
6 among county road commissions in accordance with section 12 of 1951
7 PA 51, MCL 247.662.

8 (b) After the deposit under subdivision (a), up to
9 \$500,000,000.00 to the department of transportation for cities and
10 villages of this state. Funds distributed to cities and villages
11 under this subparagraph must be distributed among cities and
12 villages in accordance with section 13 of 1951 PA 51, MCL 247.663.

13 (c) The balance of any revenue after the deposits under
14 subdivisions (a) and (b), into the state treasury to the credit of
15 the Michigan transportation fund created in section 10 of 1951 PA
16 51, MCL 247.660, and disbursed as provided in section 10(1)(l) of
17 1951 PA 51, MCL 247.660.

18 (4) Beginning with the 2026-2027 state fiscal year, from the
19 tax levied under this part, the revenue collected under this part
20 must be deposited into the state treasury to the credit of the
21 Michigan transportation fund created in section 10 of 1951 PA 51,
22 MCL 247.660, and disbursed as provided in section 10(1)(l) of 1951
23 PA 51, MCL 247.660.