

**SUBSTITUTE FOR  
HOUSE BILL NO. 4182**

A bill to amend 1937 PA 94, entitled  
"Use tax act,"  
by amending sections 6c and 21 (MCL 205.96c and 205.111), section  
6c as added by 2015 PA 263 and section 21 as amended by 2023 PA  
175, and by adding sections 4gg and 4hh.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **Sec. 4gg. (1) Notwithstanding section 4k, beginning October 1,**  
2 **2025, the storage, use, or consumption of aviation fuel is exempt**  
3 **from the tax under this act.**

4           **(2) As used in this section, "aviation fuel" means fuel as**  
5 **that term is defined in section 4 of the aeronautics code of the**  
6 **state of Michigan, 1945 PA 327, MCL 259.4.**

7           **Sec. 4hh. (1) Beginning October 1, 2025, the storage, use, or**

1 **consumption of eligible fuel is exempt from the tax under this act.**

2 **(2) As used in this section, "eligible fuel" means any fuel**  
3 **subject to the tax levied under the motor fuel tax act, 2000 PA**  
4 **403, MCL 207.1001 to 207.1170.**

5 Sec. 6c. (1) Beginning April 1, 2016 and each calendar quarter  
6 thereafter **through September 30, 2025**, every person storing, using,  
7 or consuming aviation fuel, the storage, use, or consumption of  
8 which is subject to the tax imposed by this act when the tax was  
9 not paid to a seller, and every seller collecting the tax from the  
10 purchaser from sales of aviation fuel shall, on or before the last  
11 day of the month in the month that immediately follows the end of a  
12 calendar quarter, file an informational report with the department  
13 on a form prescribed by the department showing all of the following  
14 for the immediately preceding calendar quarter:

15 (a) The entire amount of taxable aviation fuel sold or  
16 purchased by the person, as applicable.

17 (b) The amount of tax for which the person is liable from the  
18 purchase or sale of aviation fuel.

19 (c) The number of taxable gallons of aviation fuel sold or  
20 purchased by the person, as applicable, at each airport and the  
21 gross proceeds from the sales or purchase of those gallons of  
22 aviation fuel, as applicable.

23 (d) Any other information the department considers necessary  
24 for the proper administration of this act.

25 (2) The report required under this section ~~shall~~**must** not  
26 include any remittance for tax and does not constitute a return or  
27 otherwise alleviate the person's obligations under section 6.

28 (3) A person required to file the informational report under  
29 this section that fails or refuses to file the informational report

1 within the time and in the manner specified in this section ~~shall~~  
2 ~~be-is~~ liable for a penalty of \$10.00 per day for each day for each  
3 separate failure or refusal up to, but not exceeding, a maximum  
4 penalty of \$500.00 for each separate violation. The department may  
5 waive the penalty if the taxpayer demonstrates to the satisfaction  
6 of the department that the failure to file was due to reasonable  
7 cause.

8 (4) As used in this section, "aviation fuel" means fuel as  
9 that term is defined in section 4 of the aeronautics code of the  
10 state of Michigan, 1945 PA 327, MCL 259.4.

11 Sec. 21. (1) Except as otherwise provided in this section, all  
12 money received and collected under this act must be deposited by  
13 the department ~~of treasury~~ in the state treasury to the credit of  
14 the general fund, to be disbursed only by appropriations by the  
15 legislature.

16 (2) The collections from the use tax imposed at the additional  
17 rate of 2% approved by the electors on March 15, 1994 must be  
18 deposited in the state school aid fund.

19 (3) In addition to the money deposited in the state school aid  
20 fund under subsection (2), from the money received and collected  
21 under this act for the state share, an amount equal to the sum of  
22 the following, as determined by the department, must be deposited  
23 in the state school aid fund:

24 (a) All revenue lost under the state education tax act, 1993  
25 PA 331, MCL 211.901 to 211.906, as a result of the exemption of  
26 personal property under sections 9m, 9n, and 9o of the general  
27 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

28 (b) All revenue lost from basic school operating mills as a  
29 result of the exemption of personal property under sections 9m, 9n,

1 and 9o of the general property tax act, 1893 PA 206, MCL 211.9m,  
2 211.9n, and 211.9o.

3 (c) All revenue lost to the state school aid fund as a result  
4 of the exemption under section 4(1)(gg).

5 (d) All revenue lost to the state school aid fund as a result  
6 of the exemption under section 4cc. A person that claims an  
7 exemption under section 4cc shall report the purchase price of the  
8 data center equipment as **that term is** defined in section 4cc and  
9 any other information necessary to determine the amount of revenue  
10 lost to the state school aid fund as a result of the exemption  
11 under section 4cc annually on a form at the time and in a manner  
12 prescribed by the department. The report required under this  
13 subdivision must not include any remittance for tax and does not  
14 constitute a return or otherwise alleviate the person's obligations  
15 under section 6.

16 (e) All revenue lost to the state school aid fund as a result  
17 of the exclusion under section 2(1)(f)(xv).

18 (4) Money received and collected under this act for the local  
19 community stabilization share is not state funds, must not be  
20 credited to the state treasury, and must be transmitted to the  
21 authority for deposit in the treasury of the authority, to be  
22 disbursed by the authority only as authorized under the local  
23 community stabilization authority act, 2014 PA 86, MCL 123.1341 to  
24 123.1362. The local community stabilization share is a local tax,  
25 not a state tax, and money received and collected for the local  
26 community stabilization share is money of the authority and not  
27 money of this state.

28 (5) ~~Beginning~~ **Except as otherwise provided in subsection (6),**  
29 **beginning** October 1, 2016 and the first day of each calendar

1 quarter thereafter, **through September 30, 2025**, from the money  
2 received and collected under this act for the state share, an  
3 amount equal to the collections for the calendar quarter that is 2  
4 calendar quarters immediately preceding the current calendar  
5 quarter of the tax imposed under this act at the additional rate of  
6 2% approved by the electors on March 15, 1994 from the use,  
7 storage, or consumption of aviation fuel must be distributed as  
8 follows:

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

21 (6) ~~The~~ **For fiscal years ending before October 1, 2025, the**  
22 department shall, on an annual basis, reconcile the amounts  
23 distributed under subsection (5) during each fiscal year with the  
24 amounts actually collected for a particular fiscal year and, **except**  
25 **as otherwise provided in this subsection**, shall make any necessary  
26 adjustments, positive or negative, to the amounts to be distributed  
27 for the next successive calendar quarter that begins January 1. **The**  
28 **department may transfer money between funds, delay and adjust a**  
29 **distribution under subsection (5), or take any other action that**

1 **the department considers necessary to account for any necessary**  
2 **adjustments, positive or negative, resulting from the**  
3 **reconciliation under this subsection for the fiscal year ending**  
4 **September 30, 2025. For fiscal years ending before October 1, 2025,**  
5 **the** state treasurer or the state treasurer's designee shall  
6 annually provide to the operator of each qualified airport a report  
7 of the reconciliation performed under this subsection. The  
8 reconciliation report is subject to the confidentiality  
9 restrictions and penalties provided in section 28(1)(f) of 1941 PA  
10 122, MCL 205.28.

11 (7) Beginning with the fiscal year ending September 30, 2024  
12 and each fiscal year thereafter, from the money received and  
13 collected under this act for the state share, \$75,000,000.00 must  
14 be deposited into the local government reimbursement fund created  
15 in section 3a of the Michigan trust fund act, 2000 PA 489, MCL  
16 12.253a.

17 (8) 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  
28 created in section 34(1) of the aeronautics code of the state of  
29 Michigan, 1945 PA 327, MCL 259.34.

1           (e) "State school aid fund" means the state school aid fund  
2 established in section 11 of article IX of the state constitution  
3 of 1963.

4           Enacting section 1. This amendatory act does not take effect  
5 unless all of the following bills of the 103rd Legislature are  
6 enacted into law:

- 7           (a) House Bill No. 4180.  
8           (b) House Bill No. 4181.  
9           (c) House Bill No. 4183.  
10          (d) House Bill No. 4184.  
11          (e) House Bill No. 4185.  
12          (f) House Bill No. 4186.  
13          (g) House Bill No. 4187.  
14          (h) House Bill No. 4230.