

DRAFT 1

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 8 of article IX, to permit a public transportation authority to levy a supplemental sales tax.

Resolved by the Senate and House of Representatives of the State of Michigan, That the following amendment to the state constitution of 1963, to permit public transportation authority to levy a supplemental sales tax, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 8. Except as provided in this section, the Legislature shall not impose a sales tax on retailers at a rate of more than 4% of their gross taxable sales of tangible personal property.

Beginning May 1, 1994, the sales tax shall be imposed on retailers at an additional rate of 2% of their gross taxable sales of tangible personal property not exempt by law and the use tax at an additional rate of 2%. The proceeds of the sales and use taxes imposed at the additional rate of 2% shall be deposited in the state school aid fund established in section 11 of this article. The allocation of sales tax revenue required or authorized by sections 9 and 10 of this article does not apply to the revenue from the sales tax imposed at the additional rate of 2%.

Beginning January 1, 2007, a county, or two or more counties acting jointly, may, if approved by a majority of the qualified electors residing within the county or counties voting at a general election or special election called for that purpose, impose on retailers located within the limits of the county or counties a supplemental sales tax of .5% of the retailers' gross taxable sales of tangible personal property not exempt by law, the proceeds of which shall be used to fund and operate a rapid transit system located in that county or counties, and a supplemental sales tax of .5% of the retailers' gross taxable sales of tangible personal property not exempt by law, the proceeds of which shall be used to fund road improvements within the county or counties.

No sales tax or use tax shall be charge or collected from and after January 1, 1975 on the sale or use of prescription drugs for human use, or on the sale or use of food for human consumption except in the case of prepared food intended for immediate consumption as defined by law. This provision shall not apply to alcoholic beverages.

Resolved further, That the foregoing amendment shall be submitted to the people of the state at the next general election in the manner provided by law.