

HOUSE BILL NO. 5296

November 13, 2025, Introduced by Reps. Schriver, Bollin and Lightner and referred to Committee on Economic Competitiveness.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 695 (MCL 206.695), as amended by 2025 PA 24.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 695. (1) Beginning with the 2022-2023 state fiscal year
- 2 through the 2023-2024 state fiscal year, from the tax levied under
- 3 this part, the revenue collected under this part must be deposited
- 4 in the following manner:
- 5 (a) Up to \$1,200,000,000.00 to the general fund.

1 (b) After the deposit under subdivision (a), up to
2 \$50,000,000.00, if available, to the Michigan housing and community
3 development fund created in section 58a of the state housing
4 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

5 (c) After the deposits under subdivisions (a) and (b), up to
6 \$50,000,000.00, if available, to the revitalization and placemaking
7 fund created in section 696.

8 (d) After the deposits under subdivisions (a), (b), and (c),
9 up to \$500,000,000.00, if available, to the strategic outreach and
10 attraction reserve fund created in **former** section 4 of the Michigan
11 trust fund act, 2000 PA 489. ~~MCL 12.254.~~

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

15 (2) For 2024-2025 state fiscal year only, from the tax levied
16 under this part, the revenue collected under this part must be
17 deposited in the following manner:

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

19 (b) After the deposit under subdivision (a), up to
20 \$50,000,000.00, if available, to the Michigan housing and community
21 development fund created in section 58a of the state housing
22 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

23 (c) After the deposits under subdivisions (a) and (b), up to
24 \$50,000,000.00, if available, to the revitalization and placemaking
25 fund created in section 696.

26 (d) After the deposits under subdivisions (a), (b), and (c),
27 up to \$250,000,000.00, if available, to the healthy Michigan fund
28 created in section 5953 of the public health code, 1978 PA 368, MCL
29 333.5953.

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

4 (3) For the 2025-2026 state fiscal year only, from the tax
5 levied under this part, the revenue collected under this part must
6 be deposited in the following manner:

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

8 (b) After the deposit under subdivision (a), up to
9 \$50,000,000.00, if available, to the Michigan housing and community
10 development fund created in section 58a of the state housing
11 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

12 (c) After the deposits under subdivisions (a) and (b), up to
13 \$688,000,000.00, if available, to the neighborhood ~~road~~**roads** fund
14 created in section 13c of 1951 PA 51, MCL 247.663c.

15 (d) The balance of the revenue collected under this part after
16 the deposits under subdivisions (a) through (c) to the general
17 fund.

18 (4) For the 2026-2027 state fiscal year only, from the tax
19 levied under this part, the revenue collected under this part must
20 be deposited in the following manner:

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

22 (b) After the deposit under subdivision (a), up to
23 \$50,000,000.00, if available, to the Michigan housing and community
24 development fund created in section 58a of the state housing
25 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

26 (c) After the deposits under subdivisions (a) and (b), up to
27 \$776,000,000.00, if available, to the neighborhood ~~road~~**roads** fund
28 created in section 13c of 1951 PA 51, MCL 247.663c.

29 (d) The balance of the revenue collected under this part after

1 the deposits under subdivisions (a) through (c) to the general
2 fund.

3 (5) For the 2027-2028 state fiscal year only, from the tax
4 levied under this part, the revenue collected under this part must
5 be deposited in the following manner:

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

7 (b) After the deposit under subdivision (a), up to
8 \$50,000,000.00, if available, to the Michigan housing and community
9 development fund created in section 58a of the state housing
10 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

11 (c) After the deposits under subdivisions (a) and (b), up to
12 \$864,000,000.00, if available, to the neighborhood ~~road~~**roads** fund
13 created in section 13c of 1951 PA 51, MCL 247.663c.

14 (d) The balance of the revenue collected under this part after
15 the deposits under subdivisions (a) through (c) to the general
16 fund.

17 (6) For the 2028-2029 state fiscal year only, from the tax
18 levied under this part, the revenue collected under this part must
19 be deposited in the following manner:

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

21 (b) After the deposit under subdivision (a), up to
22 \$50,000,000.00, if available, to the Michigan housing and community
23 development fund created in section 58a of the state housing
24 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

25 (c) After the deposits under subdivisions (a) and (b), up to
26 \$952,000,000.00, if available, to the neighborhood ~~road~~**roads** fund
27 created in section 13c of 1951 PA 51, MCL 247.663c.

28 (d) The balance of the revenue collected under this part after
29 the deposits under subdivisions (a) through (c) to the general

1 fund.

2 (7) Beginning with the 2029-2030 state fiscal year, from the
3 tax levied under this part, the revenue collected under this part
4 must be deposited in the following manner:

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

6 (b) After the deposit under subdivision (a), up to
7 \$50,000,000.00, if available, to the Michigan housing and community
8 development fund created in section 58a of the state housing
9 development authority act of 1966, 1966 PA 346, MCL 125.1458a.

10 (c) After the deposits under subdivisions (a) and (b), up to
11 \$1,040,000,000.00, if available, to the neighborhood ~~road~~**roads**
12 fund created in section 13c of 1951 PA 51, MCL 247.663c.

13 (d) The balance of the revenue collected under this part after
14 the deposits under subdivisions (a) through (c) to the general
15 fund.

16 Enacting section 1. This amendatory act does not take effect
17 unless House Bill No. 5294 (request no. H05252'25) of the 103rd
18 Legislature is enacted into law.