

TOBACCO PRODUCTS TAX ACT (EXCERPT)
Act 327 of 1993

205.432 Disposition of proceeds from taxes, fees, and penalties; disbursements; use of funds for enforcement and administration of act.

Sec. 12.

(1) The proceeds derived from the payment of taxes, fees, and penalties provided for under this act and the license fees received by the department shall be deposited with the state treasurer and disbursed only as provided in this section. However, before a distribution of funds is made under this section, subject to appropriation, the funds described in this section may be used by the department, the attorney general, and the department of state police for enforcement and administration of this act.

(2) The tax imposed on cigarettes under section 7(1)(a) must be disbursed as follows:

(a) 2.4375% of the proceeds must be credited to the health and safety fund created in the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

(b) 41.6200% of the proceeds must be credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(c) 3.7500% of the proceeds shall be credited to the healthy Michigan fund created under section 5953 of the public health code, 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described in this subdivision that are used for smoking prevention programs shall be used by the department of health and human services to expand the free smokers quit kit program to include the nicotine patch or nicotine gum.

(d) 19.7625% of the proceeds must be disbursed as follows:

(i) For each fiscal year, \$3,000,000.00 to the Michigan state capitol historic site fund created in section 7 of the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1947. For each fiscal year, the state treasurer shall adjust the figure described in this subparagraph by an amount determined by the state treasurer at the end of each calendar year to reflect the cumulative annual percentage change in the Consumer Price Index. For each fiscal year, if the cumulative annual percentage change in the Consumer Price Index is negative, then the adjustment for that fiscal year is zero. As used in this subsection, "Consumer Price Index" means the most comprehensive index of consumer prices available for this state from the Bureau of Labor Statistics of the United States Department of Labor. From the funds described in this subparagraph, not later than February 1 of each year, the Michigan state capitol commission created in section 5 of the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1945, shall report to the chairpersons of the house and senate appropriations committees. The report must contain all of the following:

(A) The proposed maintenance plan for the Michigan State Capitol Historical Site for the immediately following fiscal year.

(B) The projected 5-year maintenance plan for the Michigan State Capitol Historical Site for the immediately following 5 fiscal years.

(C) Projected large-scale projects for the Michigan State Capitol Historical Site that exceed \$1,000,000.00.

(ii) The remaining proceeds must be credited to the general fund of this state.

(e) 0.5550% of the proceeds must be paid to counties with a 2000 population of more than 2,000,000, to be used only for indigent health care.

(f) 31.8750% of the proceeds must be credited to the Michigan Medicaid benefits trust fund created under section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

(3) The tax imposed under section 7(1)(b) must be disbursed as follows:

(a) 75.0% of the proceeds must be credited to the Michigan Medicaid benefits trust fund created under section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

(b) 25.0% of the proceeds must be credited to the general fund of this state.

(4) The proceeds of the fees and penalties provided for in this act shall be used for the administration of this act.

History: 1993, Act 327, Eff. Mar. 15, 1994 ;-- Am. 1997, Act 187, Imd. Eff. Dec. 30, 1997 ;-- Am. 2002, Act 503, Imd. Eff. July 18, 2002 ;-- Am. 2004, Act 164, Imd. Eff. June 24, 2004 ;-- Am. 2012, Act 188, Imd. Eff. June 20, 2012 ;-- Am. 2014, Act 272, Imd. Eff. July 2, 2014 ;-- Am. 2016, Act 309, Imd. Eff. Oct. 6, 2016 ;-- Am. 2018, Act 639, Eff. Mar. 29, 2019 ;-- Am. 2022, Act 171, Imd. Eff. July 21, 2022

Compiler's Notes: Subsection (10) of Sec. 12, as amended by Act 188 of 2012, was vetoed by the governor on June 20, 2012. Subsection (10) of Sec. 12, as amended by Act 188 of 2012, reads as follows: "(10) For fiscal year 2011-2012 only, from the funds described in subsections (3)(d), (4)(a), (7)(c), and (8)(c), \$6,000,000.00 is appropriated to the following departments in the following amounts for enforcement and administration of this act: (a) Department of treasury, \$1,500,000.00. (b) Department of attorney general, \$500,000.00. (c) Department of state police, \$4,000,000.00."

