

HOUSE BILL No. 5656

February 27, 2018, Introduced by Reps. Rabhi, Sabo, Neeley, Lucido, Elder, LaGrand, Sowerby and Lasinski and referred to the Committee on Natural Resources.

A bill to levy an excise tax on the bottling of water; to provide for the levy, collection, and administration of the excise tax; to provide certain reporting requirements; to provide for certain penalties; to provide certain exemptions and refunds; and to provide for the distribution of the excise tax.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "bottled water excise tax act".

3 Sec. 2. As used in this act:

4 (a) "Bottled water operator" means a person engaged in the
5 business of bottling or packaging water for sale in containers of
6 5.7 gallons or less from a nonmunicipal source.

7 (b) "Bottled water excise tax" means the excise tax imposed

1 under section 3.

2 (c) "Department" means the department of treasury.

3 (d) "Person" means an individual, partnership, corporation,
4 association, governmental entity, or other legal entity.

5 Sec. 3. (1) The bottled water excise tax is levied on each
6 bottled water operator engaged in the business of bottling water in
7 this state from a nonmunicipal source.

8 (2) The bottled water excise tax is imposed at a rate of 4% of
9 the wholesale price of the bottled water.

10 Sec. 4. (1) Each bottled water operator shall prepare and
11 submit to the department a report on or before the twenty-fifth day
12 of each month in the form and manner required by the department,
13 showing the total amount of water bottled during the preceding
14 month, the wholesale price of the bottled water, and other
15 information required by the department.

16 (2) The bottled water excise tax shall be paid each month to
17 the department at the same time the report is submitted.

18 Sec. 5. Each bottled water operator shall prepare, keep, and
19 preserve a full and complete record of all water bottled in this
20 state, and that record shall be open at all times to the inspection
21 of the state tax commission.

22 Sec. 6. (1) The bottled water excise tax imposed by this act
23 shall be administered by the department of treasury, under 1941 PA
24 122, MCL 205.1 to 205.31, and this act. In case of conflict between
25 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of
26 this act shall prevail.

27 (2) The department may promulgate rules to implement this act

1 pursuant to the administrative procedures act of 1969, 1969 PA 306,
2 MCL 24.201 to 24.328.

3 Sec. 7. In an action filed under the direction of the attorney
4 general, the circuit court for the county of Ingham may restrain by
5 injunction any bottled water operator or person who has failed to
6 comply with this act and in the same manner to restrain any bottled
7 water operator or person from continuing to bottle water while
8 delinquent in the filing of any report or the paying of any tax,
9 penalty, or cost required under this act.

10 Sec. 8. All taxes, penalties, or costs paid to the department
11 under this act shall be paid into the state treasury and shall be
12 credited to the state drinking water revolving fund established in
13 section 16b of the shared credit rating act, 1985 PA 227, MCL
14 141.1066b.