



Road Funding Packages Hitches A Ride Out Of Committee

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Committee hearings are now in the rearview mirror of House Republicans' long-term road funding package, which was reported to the House floor today and is now expected to be taken up for a chamber-wide vote on Wednesday.

This was the second week of testimony on the bills. Last week, the bills' sponsors explained the mechanics of the legislation. Some business groups, like the Detroit Regional Chamber, testified in support of most of the package but in opposition to [HB 4186](#), which disincentivizes corporations still benefiting from the Michigan Business Tax.

At first, local government groups signaled apprehension towards the original bills, concerned that eliminating the sales tax revenue on motor and aviation fuel would minimize revenue sharing between the state and local governments. But the bills headed to the floor were amended to try offering a security measure to address revenue-sharing worries.

Changes adopted to [HB 4187](#) in committee today dedicated \$95 million from Michigan's sales tax revenue specifically for local government revenue sharing, which Chair [Pat OUTMAN \(R-Six Lakes\)](#) said would hold local government harmless, similar to how sales tax revenue is being prioritized for the School Aid Fund, as well.

When asked if re-prioritizing the allocation of sales tax revenue as proposed will lead to problems in other parts of the budget-making process, Outman said removing the sales tax from the pump was more complex than he ever imagined.

The committee also passed [HB 4230](#), creating the Neighborhood Roads Fund that diverts \$375 million from the Corporate Income Tax to the fund to be used on local roads that have been neglected.

Substitutes were adopted for [HB 4180](#), [HB 4181](#), [HB 4180](#), [HB 4183](#), [HB 4184](#), [HB 4185](#), [HB 4186](#), [HB 4187](#) and [HB 4230](#). For those of the bills that amend sales tax, the substitutes adjust the dollar amount per gallon that would be charged for the motor and aviation fuel tax that balances out the elimination of the sales tax.