

INITIATIVE PETITION  
AMENDMENT TO THE CONSTITUTION

Constitutional amendment to: add, beginning in 2027, an additional 5% tax on annual taxable income over \$1 million for joint filers and over \$500,000 for single filers. This tax is in addition to existing state income taxes, and is to be deposited into the State School Aid Fund and required to be used exclusively on local school district classrooms, career and technical education, reducing class sizes, and recruiting and retaining teachers; and subject funds to annual audits.

Full text of the proposal amending sections 7 and 11 of article IX (language to be added shown in capital letters, deleted struck out with a line):

ARTICLE IX

§ 7 Income tax.

Sec. 7. (1) No income tax graduated as to rate or base shall be imposed by the state or any of its subdivisions.

(2) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2027, THERE IS LEVIED AND IMPOSED UPON THE TAXABLE INCOME OF ANY INDIVIDUAL WITH TAXABLE INCOME OF MORE THAN \$1,000,000 FOR A JOINT RETURN AND \$500,000 FOR A SINGLE RETURN A FAIR SHARE SURCHARGE AT THE RATE OF 5% ON TAXABLE INCOME OF MORE THAN \$1,000,000 FOR A JOINT RETURN AND \$500,000.00 FOR A SINGLE RETURN. THE SURCHARGE UNDER THIS SUBSECTION IS IN ADDITION TO ANY OTHER INCOME TAX IMPOSED BY LAW IN THIS STATE. IN THIS SUBSECTION, "TAXABLE INCOME" MEANS THAT TERM AS DEFINED UNDER THE INCOME TAX ACT OF 1967 AS EFFECTIVE ON JANUARY 1, 2025.

(3) THE STATE TREASURER SHALL DEPOSIT REVENUE FROM THE SURCHARGE UNDER SUBSECTION (2) IN THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF THIS ARTICLE FOR USE ONLY FOR AID TO LOCAL SCHOOL DISTRICTS AS PROVIDED IN SECTION 11(5) OF THIS ARTICLE. THE LEGISLATURE MAY ENACT LAWS CONSISTENT WITH THIS SECTION FOR ITS IMPLEMENTATION.

§ 11 State school aid fund; source; distribution; guarantee to local school district.

Sec. 11. (1) There shall be established a state school aid fund which shall be used exclusively for aid to school districts, higher education, and school employees' retirement systems, as provided by law.

(2) Sixty percent of all taxes imposed at a rate of 4% on retailers on taxable sales at retail of tangible personal property, 100% of the proceeds of the sales and use taxes imposed at the additional rate of 2% provided for in section 8 of this article, and other tax revenues provided by law, shall be dedicated to this fund, EXCEPT AS PROVIDED IN SUBSECTION (5).

(3) Payments from this fund shall be made in full on a scheduled basis, as provided by law.

(4) Beginning in the 1995-96 state fiscal year and each state fiscal year after 1995-96, the state shall guarantee that the total state and local per pupil revenue, EXCLUDING REVENUE UNDER SUBSECTION (5), for school operating purposes for each local school district shall not be less than the 1994-95 total state and local per pupil revenue for school operating purposes for that local school district, as adjusted for consolidations, annexations, or other boundary changes. However, this guarantee does not apply in a year in which the local school district levies a millage rate for school district operating purposes less than it levied in 1994.

(5) 100% OF THE MONEY DEPOSITED IN THE FUND UNDER SECTION 7(3) OF THIS ARTICLE MUST BE EXPENDED TO SUPPORT CLASSROOMS IN LOCAL SCHOOL DISTRICTS, INCLUDING FUNDING FOR CAREER AND TECHNICAL EDUCATION, ATTRACTING AND RETAINING HIGH-QUALITY EDUCATORS, AND REDUCING CLASS SIZES. THE MONEY MAY NOT BE EXPENDED FOR OTHER PURPOSES AND EXPENDITURE OF THE MONEY IS SUBJECT TO AN ANNUAL AUDIT.

Provisions of existing constitution altered or abrogated by the proposal if adopted:

ARTICLE IX

§ 1 Taxes for state expenses.

Sec. 1. The legislature shall impose taxes sufficient with other resources to pay the expenses of state Government.

§ 7 Income tax.

Sec. 7. No income tax graduated as to rate or base shall be imposed by the state or any of its subdivisions.

§ 11 State school aid fund; source; distribution; guarantee to local school district.

Sec. 11. There shall be established a state school aid fund which shall be used exclusively for aid to school districts, higher education, and school employees' retirement systems, as provided by law. Sixty percent of all taxes imposed at a rate of 4% on retailers on taxable sales at retail of tangible personal property, 100% of the proceeds of the sales and use taxes imposed at the additional rate of 2% provided for in section 8 of this article, and other tax revenues provided by law, shall be dedicated to this fund. Payments from this fund shall be made in full on a scheduled basis, as provided by law. Beginning in the 1995-96 state fiscal year and each state fiscal year after 1995-96, the state shall guarantee that the total state and local per pupil revenue for school operating purposes for each local school district shall not be less than the 1994-95 total state and local per pupil revenue for school operating purposes for that local school district, as adjusted for consolidations, annexations, or other boundary changes. However, this guarantee does not apply in a year in which the local school district levies a millage rate for school district operating purposes less than it levied in 1994.

Invest in MI Kids amendment is  
in ALL CAPS

Language in lower case is already in  
the State Constitution