

**Michigan
Airport Parking Tax
1988 - 2003**



**Connie Ross, Revenue Sharing Specialist
Mark P. Haas, Director
Office of Revenue and Tax Analysis
Michigan Department of Treasury**

Airport Parking Tax Contents

Executive Summary

Overview

Tables

1. Airport Parking Tax Revenue
2. Distribution to Romulus and Wayne County
3. Monthly Revenue

Acknowledgments

This report was compiled by Revenue Sharing Specialist Connie Ross under the direction of Mark Haas, Director, Office of Revenue and Tax Analysis, Michigan Department of Treasury. Secretarial support was provided by Marge Morden.

Airport Parking Tax Executive Summary

Established 1987

1. Public Act 248 of 1987.
2. This Act was passed as part of a group of bills to provide financial assistance to Wayne County during a period that the county was suffering from massive budget problems. The Act imposed an excise tax for the privilege of parking at a regional airport which services 4,000,000 or more enplanements annually.

Revenues Deposited into Fund

1. Airport parking tax of 30% of parking fee.

Distributions From Fund

1. Monthly to Wayne County – 100% of the tax collected from the “on premises” airport parking facilities located within the boundaries of Detroit Airport, and 80% of the “off premises” parking tax collected..
2. Monthly to the city of Romulus, 20% of the “off premises” tax collected.

Experience to Date

1. Revenue collections of \$17.5 million in FY 2001 with total collections of \$148.9 million from 1988 to 2001.
2. Payments to Wayne County of \$15.7 million in FY 2001 and total payments to Wayne County of \$168.9 million.
3. Payments to City of Romulus of \$1.3 million in FY 2001 and total payments to Romulus of \$13.0 million.

Airport Parking Tax Overview

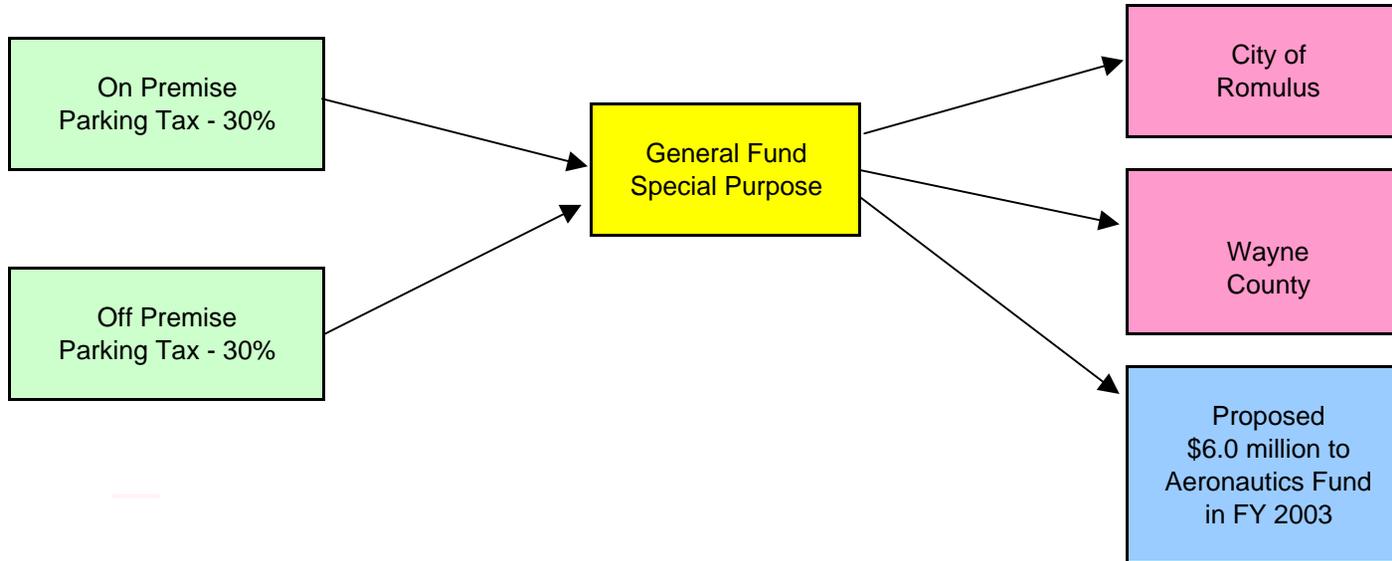
In 1987, the Michigan Legislature passed the Airport Parking Tax Act. The bill was part of a package of bills to provide financial assistance to Wayne County, which at the time was experiencing extreme financial difficulties. The state assistance package included an emergency loan to the County, granting the County additional authority to issue bonds; dedicating cigarette tax to repay the principal on the emergency loan and repay bonds issued, and the Fiscal Stabilization Act. The airport parking tax included as part of the package, states that the proceeds could be used to service bonds but it was not a requirement.

The tax is collected by the parking vendors and remitted to the Michigan Department of Treasury. The department then makes payments to the City of Romulus and Wayne County (see flow chart on next page).

A bill to repeal the Airport Parking tax was narrowly defeated in the House of Representatives in October 2001. Some individuals believe that after 14 years, the tax has served its purpose. Some of the debt that was taken on as part of the financial assistance package has been retired.

The \$168.9 million paid to Wayne County is not restricted for airport operations or improvements. It goes to the county's general fund, which has been used to cover shortfalls in the county operating budget. The \$13.0 million paid to Romulus also goes to the city's general fund.

Chart 1 Airport Parking Tax Sources and Uses



Prepared By: Office Of Revenue and Tax Analysis, Michigan Department of Treasury

Filename: F:\orta\revshare\AirportParking\[AirportParkingTax_021202.xls]Sheet1

Updated: 2/21/01 3:54 PM

Printed: 3/13/02 8:17 AM

**Table 1
Airport Parking Tax**

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>Distributions to:</u>	
		<u>Wayne County</u>	<u>City of Romulus</u>
1988	\$5,168,000	\$5,168,000	\$0
1989	\$7,440,000	\$7,093,641	\$346,359
1990	\$7,379,000	\$6,846,250	\$532,750
1991	\$7,026,000	\$6,541,289	\$484,711
1992	\$7,833,000	\$7,266,743	\$566,257
1993	\$8,595,000	\$8,026,046	\$568,954
1994	\$8,382,000	\$7,712,399	\$669,601
1995	\$10,816,000	\$9,954,598	\$862,402
1996	\$10,879,131	\$10,060,371	\$818,760
1997	\$12,658,433	\$11,733,664	\$924,768
1998	\$13,748,541	\$12,743,420	\$1,005,121
1999	\$14,676,839	\$13,617,014	\$1,059,825
2000	\$16,774,530	\$15,525,863	\$1,248,667
2001	\$17,521,750	\$16,222,004	\$1,299,746
2002 est.	\$15,970,000	\$14,724,000	\$1,246,000
2003 est.	\$17,000,000	\$15,672,000	\$1,328,000
Total	\$181,868,224	\$168,907,302	\$12,961,921

Prepared By: Office Of Revenue and Tax Analysis, Michigan Department of Treasury

Filename: F:\orta\revshare\AirportParking\AirportParkingTax_Table1_021302.xls]Sheet1
 Updated: 2/13/02 1:07 PM
 Printed: 3/13/02 8:18 AM