

Act No. 382
Public Acts of 1996
Approved by the Governor
July 23, 1996
Filed with the Secretary of State
July 24, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Senators Schuette, Gougeon, Shugars, Peters and North

ENROLLED SENATE BILL No. 924

AN ACT to amend Act No. 228 of the Public Acts of 1975, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 38d.

The People of the State of Michigan enact:

Section 1. Act No. 228 of the Public Acts of 1975, as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, is amended by adding section 38d to read as follows:

Sec. 38d. (1) For tax years that begin after December 31, 1996 and before January 1, 2001, a qualified taxpayer may claim a credit against the tax imposed by this act equal to 10% of the cost of eligible investment paid or accrued by the qualified taxpayer in the tax year.

(2) The maximum total credits claimed under this section for all tax years by each taxpayer that claims a credit under this section shall not exceed \$1,000,000.00.

(3) The credit allowed under this section shall be calculated after application of all other credits allowed under this act.

(4) If the credit allowed under this section for the tax year and any unused carryforward of the credit allowed by this section exceed the taxpayer's tax liability for the tax year, that portion that exceeds the tax liability for the tax year shall not be refunded but may be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurs first.

(5) If eligible investment is for the purchase of tangible assets, if the cost of those assets will have been used to calculate a credit under this section, and if the tangible assets are sold or disposed of or transferred from eligible property to any other location, add 10% of the federal basis used for determining gain or loss as of the date of the sale, disposition, or transfer to the taxpayer's tax liability for the tax year in which the sale, disposition, or transfer occurs.

(6) An affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined in the internal revenue code shall consolidate the eligible investment of the members of the affiliated group, member corporations of the controlled group, or entities under common control for purposes of determining when the maximum allowable credit limit under subsection (2) has been reached.

(7) The department shall develop procedures to implement this section.

(8) As used in this section:

(a) "Eligible activity" means that term as defined in the brownfield redevelopment financing act.

(b) "Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activity on that eligible property has started pursuant to a brownfield plan under the brownfield redevelopment financing act, if the costs of the eligible investment are not otherwise reimbursed to the taxpayer or paid for on behalf of the taxpayer from any source other than the taxpayer.

(c) "Eligible property" means property that is a facility as that term is defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws, or property that was a facility as defined in section 20101 of Act No. 451 of the Public Acts of 1994 prior to the completion of eligible activity pursuant to a brownfield plan under the brownfield redevelopment financing act.

(d) "Qualified taxpayer" means a taxpayer that meets both of the following criteria:

(i) Owns or leases an eligible property that is located within a brownfield redevelopment zone designated pursuant to the brownfield redevelopment financing act and on which eligible activity has started pursuant to a brownfield plan under the brownfield redevelopment financing act.

(ii) The taxpayer is not liable under section 20126 of part 201 of Act No. 451 of the Public Acts of 1994, being section 324.20126 of the Michigan Compiled Laws, for response activity at an eligible property to which the credit is attributable.

(e) "Response activity" means that term as defined in the brownfield redevelopment financing act.

Section 2. This amendatory act shall not take effect unless Senate Bill No. 923 of the 88th Legislature is enacted into law.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.

