

SENATE BILL No. 20

January 30, 2001, Introduced by Senator STEIL and referred to the Committee on Education.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding sections 39d and 39e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2001 AND BEFORE JANUARY 1, 2024, A QUALIFIED TAXPAYER MAY CLAIM A
3 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10% OF THE
4 COST OF ELIGIBLE INCOME RECEIVED OR ACCRUED BY THE QUALIFIED TAX-
5 PAYER IN THE TAX YEAR.

6 (2) THE CREDITS ALLOWED UNDER THIS SECTION AND SECTION 39E
7 SHALL BE CALCULATED AFTER APPLICATION OF ALL OTHER CREDITS
8 ALLOWED UNDER THIS ACT.

9 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
10 YEAR AND ANY CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
11 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT

1 PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT
2 BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
3 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
4 OCCURS FIRST.

5 (4) AN AFFILIATED GROUP AS DEFINED IN THIS ACT, A CONTROLLED
6 GROUP OF CORPORATIONS AS DEFINED IN SECTION 1563 OF THE INTERNAL
7 REVENUE CODE AND FURTHER DESCRIBED IN 26 C.F.R. 1.414(b)-1 AND
8 1.414(c)-1 TO 1.414(c)-5, OR AN ENTITY UNDER COMMON CONTROL AS
9 DEFINED IN THE INTERNAL REVENUE CODE SHALL CONSOLIDATE THE ELIGI-
10 BLE INCOME OF THE MEMBERS OF THE AFFILIATED GROUP, MEMBER CORPO-
11 RATIONS OF THE CONTROLLED GROUP, OR ENTITIES UNDER COMMON CONTROL
12 AND SHALL CLAIM ONLY 1 CREDIT UNDER THIS SECTION WHETHER OR NOT A
13 COMBINED OR CONSOLIDATED RETURN IS FILED.

14 (5) THE DEPARTMENT SHALL DEVELOP PROCEDURES TO IMPLEMENT
15 THIS SECTION.

16 (6) AS USED IN THIS SECTION:

17 (A) "AUTHORITY" MEANS THAT TERM AS DEFINED IN THE PUBLIC
18 SCHOOL FACILITY AUTHORITY ACT.

19 (B) "ELIGIBLE INCOME" MEANS RENTAL AND LEASE INCOME RECEIVED
20 FROM AN AUTHORITY FOR USE OF AN ELIGIBLE PROPERTY.

21 (C) "ELIGIBLE PROPERTY" MEANS A PUBLIC SCHOOL FACILITY AS
22 THAT TERM IS DEFINED IN THE PUBLIC SCHOOL FACILITY AUTHORITY
23 ACT.

24 (D) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT OWNS AN ELI-
25 GIBLE PROPERTY.

26 SEC. 39E. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
27 2001 AND BEFORE JANUARY 1, 2024, A TAXPAYER MAY CLAIM A CREDIT

1 AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10% OF THE AMOUNT
2 THE TAXPAYER CONTRIBUTES DURING THE TAX YEAR TO AN AUTHORITY.

3 (2) THE CREDITS ALLOWED UNDER THIS SECTION AND SECTION 39D
4 SHALL BE CALCULATED AFTER APPLICATION OF ALL OTHER CREDITS
5 ALLOWED UNDER THIS ACT.

6 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
7 YEAR AND ANY CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
8 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT POR-
9 TION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
10 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
11 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
12 OCCURS FIRST.

13 (4) AN AFFILIATED GROUP AS DEFINED IN THIS ACT, A CONTROLLED
14 GROUP OF CORPORATIONS AS DEFINED IN SECTION 1563 OF THE INTERNAL
15 REVENUE CODE AND FURTHER DESCRIBED IN 26 C.F.R. 1.414(b)-1 AND
16 1.414(c)-1 TO 1.414(c)-5, OR AN ENTITY UNDER COMMON CONTROL AS
17 DEFINED IN THE INTERNAL REVENUE CODE SHALL CONSOLIDATE THE CON-
18 TRIBUTIONS OF THE MEMBERS OF THE AFFILIATED GROUP, MEMBER CORPO-
19 RATIONS OF THE CONTROLLED GROUP, OR ENTITIES UNDER COMMON CONTROL
20 AND SHALL CLAIM ONLY 1 CREDIT UNDER THIS SECTION WHETHER OR NOT A
21 COMBINED OR CONSOLIDATED RETURN IS FILED.

22 (5) THE DEPARTMENT SHALL DEVELOP PROCEDURES TO IMPLEMENT
23 THIS SECTION.

24 (6) AS USED IN THIS SECTION, "AUTHORITY" MEANS THAT TERM AS
25 DEFINED IN THE PUBLIC SCHOOL FACILITY AUTHORITY ACT.

26 Enacting section 1. This amendatory act does not take
27 effect unless Senate Bill No. 21

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of the 91st Legislature is

2 enacted into law.