

**SUBSTITUTE FOR  
SENATE BILL NO. 1303**

A bill to amend 1990 PA 100, entitled  
"City utility users tax act,"  
by amending section 5 of chapter 1 (MCL 141.1155), as amended by  
1998 PA 241.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

CHAPTER 1

Sec. 5. (1) The uniform city utility users tax ordinance  
does not apply to a person or corporation as to whom or which it  
is beyond the power of the city to impose the tax provided for in  
the uniform city utility users tax ordinance.

(2) For tax years beginning after December 31, 1996, a person  
or corporation, except a casino, is exempt from the tax imposed  
under this ordinance for public utility services provided in a  
renaissance zone to the extent and for the duration provided  
pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL

1 125.2681 to 125.2696. As used in this subsection, "casino" means  
2 a casino or a parking lot, hotel, motel, or retail store owned or  
3 operated by a casino, an affiliate, or an affiliated company,  
4 regulated by this state pursuant to the Michigan gaming control  
5 and revenue act, the Initiated Law of 1996, MCL 432.201 to  
6 432.216.

7 (3) For tax years beginning after December 31, 2004, a  
8 qualified start-up business is exempt from the tax imposed under  
9 this ordinance for the 12-month period beginning November 1 for  
10 each tax year in which all of the following occur:

11 (a) The qualified start-up business applies for the exemption  
12 as provided in subsection (4).

13 (b) The governing body of the city adopts a resolution  
14 approving the exemption as provided in subsection (5).

15 (4) A qualified start-up business may claim the exemption  
16 under subsection (3) by filing an exemption affidavit claiming  
17 the exemption with the treasurer of the city that imposes the tax  
18 under this ordinance on a form prescribed by the city. The  
19 affidavit under this subsection shall be filed on or before  
20 September 1 of each year that a taxpayer claims the exemption  
21 under subsection (3) and shall include all of the following:

22 (a) A statement that the qualified start-up business was  
23 eligible for and claimed the credit allowed under section 31a of  
24 the single business tax act, 1975 PA 228, MCL 208.31a, in the tax  
25 year that ended immediately before the November 1 in which the  
26 exemption under subsection (3) will be claimed.

27 (b) A copy of the qualified start-up business's annual return

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1 required under the single business tax act, 1975 PA 228, MCL  
2 208.1 to 208.145, for the year in which the credit was claimed  
3 under section 31a of the single business tax act, 1975 PA 228,  
4 MCL 208.31a, upon which the exemption under subsection (3) is  
5 based.

6 (c) A statement authorizing the department of treasury to  
7 release information contained in the qualified start-up  
8 business's annual return filed under the single business tax act,  
9 1975 PA 228, MCL 208.1 to 208.145, that pertains to the qualified  
10 start-up business credit claimed under section 31a of the single  
11 business tax act, 1975 PA 228, MCL 208.31a, upon which an  
12 exemption under subsection (3) is based to the city.

13 (5) An exemption under subsection (3) is not allowed unless  
14 the governing body of the city that collects the tax under this  
15 act adopts a resolution approving the exemption. Exemptions  
16 under subsection (3) shall be approved at the last official  
17 meeting of the governing body of the city in September of each  
18 year. The resolution adopted by the governing body of the city  
19 may approve the exemption provided in subsection (3) for 1 or  
20 more of the qualified start-up businesses that claim the  
21 exemption under subsection (3) by filing an affidavit on or  
22 before September 1 as provided in subsection (4).

<<(6) A qualified start-up business shall not receive the exemption  
under subsection (3) for more than a total of 5 tax years. A qualified  
start-up business may receive the exemption under subsection (3) in  
nonconsecutive tax years.

23 (7)>> As used in this section, "qualified start-up business"  
24 means that term as defined in section 31a of the single business  
25 tax act, 1975 PA 228, MCL 208.31a.