

SUBSTITUTE FOR
HOUSE BILL NO. 5459

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 35j.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35J. (1) A TAXPAYER THAT ENTERS INTO AN AGREEMENT UNDER
2 SUBSECTION (3) AND THAT PROVIDES TRANSFERRED JOBS TO THIS STATE MAY
3 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 100% OF
4 THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL PROPERTY THE USE OF
5 WHICH IS DIRECTLY RELATED TO THE TRANSFERRED JOBS. THE CREDIT
6 ALLOWED UNDER THIS SECTION SHALL ONLY BE AVAILABLE FOR TAXES PAID
7 THE FIRST YEAR THAT THE TAXPAYER PAYS PROPERTY TAXES ON THAT
8 PROPERTY WHICH SHALL BE THE SAME TAX YEAR IN WHICH THE CREDIT UNDER
9 THIS SECTION BASED ON THOSE PROPERTY TAXES IS CLAIMED.

1 (2) THE CREDIT UNDER SUBSECTION (1) CAN BE CLAIMED ONLY FOR
2 TAXES PAID IN THE 2009 TAX YEAR.

3 (3) A TAXPAYER MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION
4 IF THE TAXPAYER ENTERS INTO AN AGREEMENT WITH THE MICHIGAN ECONOMIC
5 GROWTH AUTHORITY THAT STATES ALL OF THE FOLLOWING:

6 (A) THE TAXPAYER WILL PROVIDE TRANSFERRED JOBS IN THIS STATE
7 IN EXCESS OF THE NUMBER OF JOBS THE TAXPAYER MAINTAINED IN THIS
8 STATE IN THE IMMEDIATELY PRECEDING TAX YEAR.

9 (B) THE TAXPAYER WILL LOCATE TANGIBLE PERSONAL PROPERTY THE
10 USE OF WHICH IS DIRECTLY RELATED TO THOSE TRANSFERRED JOBS IN THIS
11 STATE.

12 (C) THE TRANSFER OF THE JOBS AND LOCATION OF THE TANGIBLE
13 PERSONAL PROPERTY CANNOT REASONABLY BE COMPLETED BY THE TAXPAYER
14 BEFORE JANUARY 1, 2007.

15 (4) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE A
16 CERTIFICATE TO THE TAXPAYER CERTIFYING THAT THE CRITERIA UNDER
17 SUBSECTION (3) HAVE BEEN MET, AND THE TAXPAYER SHALL ATTACH THE
18 CERTIFICATE TO THE ANNUAL RETURN REQUIRED UNDER THIS ACT ON WHICH
19 THE CREDIT UNDER THIS SECTION IS CLAIMED.

20 (5) IF THE TAXPAYER DOES NOT MAINTAIN THE TOTAL NUMBER OF
21 TRANSFERRED JOBS LOCATED IN THIS STATE FOR 3 YEARS AFTER THE YEAR
22 IN WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED, THE FOLLOWING
23 PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED UNDER THIS
24 SECTION SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN
25 THAT YEAR:

26 (A) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
27 FIRST YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.

1 (B) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
2 SECOND YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND
3 SUBDIVISION (A) DID NOT APPLY, 67%.

4 (C) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
5 THIRD YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND IF
6 NEITHER SUBDIVISION (A) NOR (B) APPLIED, 33%.

7 (6) PERSONAL PROPERTY TAXES USED TO CALCULATE A CREDIT UNDER
8 THIS SECTION SHALL NOT BE USED TO CALCULATE A CREDIT UNDER SECTION
9 35D, 35F, 35G, OR 35H.

10 (7) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCULATED
11 AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS ACT.

12 (8) AS USED IN THIS SECTION, "PROPERTY TAXES" AND "TRANSFERRED
13 JOBS" MEAN THOSE TERMS AS DEFINED IN SECTION 35I.

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 93rd Legislature are
16 enacted into law:

17 (a) Senate Bill No. 203.

18 (b) Senate Bill No. 909.

19 (c) Senate Bill No. 910.

20 (d) House Bill No. 4982.

21 (e) House Bill No. 5460.

22 (f) House Bill No. 5461.