

HOUSE BILL No. 4982

June 22, 2005, Introduced by Rep. Baxter and referred to the Committee on Tax Policy.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35D. (1) FOR TAX YEARS THAT BEGIN ON OR AFTER JANUARY 1,
2 2006, A TAXPAYER MAY CLAIM A CREDIT EQUAL TO 10% OF THE PROPERTY
3 TAXES PAID IN THE TAX YEAR BY THE TAXPAYER ON TANGIBLE PERSONAL
4 PROPERTY USED BY THE TAXPAYER FOR BUSINESS ACTIVITIES.

5 (2) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION FOR AN ITEM
6 OF TANGIBLE PERSONAL PROPERTY, A TAXPAYER THAT IS OTHERWISE
7 ELIGIBLE TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION SHALL FILE
8 WITHIN THE TIME REQUIRED THE STATEMENT OF PERSONAL PROPERTY
9 DESCRIBED IN SECTION 19 OF THE GENERAL PROPERTY TAX ACT, 1893 PA
10 206, MCL 211.19, FOR THAT ITEM OF TANGIBLE PERSONAL PROPERTY USED

1 FOR BUSINESS ACTIVITY FOR THE LOCATION AT WHICH THE TANGIBLE
2 PERSONAL PROPERTY THAT IS THE BASIS OF THE CREDIT ALLOWED UNDER
3 THIS SECTION IS LOCATED.

4 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
5 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE EXCESS SHALL BE
6 REFUNDED TO THE TAXPAYER.

7 (4) AN AFFILIATED GROUP AS DEFINED IN THIS ACT, A CONTROLLED
8 GROUP OF CORPORATIONS AS DEFINED IN SECTION 1563 OF THE INTERNAL
9 REVENUE CODE AND FURTHER DESCRIBED IN 26 CFR 1.414(B)-1 AND
10 1.414(C)-1 TO 1.414(C)-5, OR AN ENTITY UNDER COMMON CONTROL AS
11 DEFINED BY THE INTERNAL REVENUE CODE SHALL NOT CLAIM THE CREDIT
12 ALLOWED BY THIS SECTION UNLESS THE BUSINESS ACTIVITIES OF THE
13 ENTITIES ARE CONSOLIDATED. FOR PURPOSES OF THIS SUBSECTION,
14 BUSINESS ACTIVITIES INCLUDE ALL ACTIVITIES WITHIN AND OUTSIDE OF
15 THIS STATE.

16 (5) AS USED IN THIS SECTION, "PROPERTY TAXES" MEANS TAXES PAID
17 UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO
18 211.157.