

# HOUSE BILL No. 6528

October 15, 2008, Introduced by Rep. Bieda and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1101 to 208.1601) by adding section 463.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 463. (1) A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX  
2        IMPOSED BY THIS ACT EQUAL TO 100% OF THE TAXPAYER'S TOTAL TAX  
3        LIABILITY IMPOSED UNDER THIS ACT THAT IS ATTRIBUTABLE TO A  
4        QUALIFIED REAL ESTATE ENTITY.

5        (2) FOR PURPOSES OF THIS SECTION, THE TAX LIABILITY  
6        ATTRIBUTABLE TO A QUALIFIED REAL ESTATE ENTITY SHALL BE MEASURED BY  
7        THE REDUCTION IN THE TAXPAYER'S TAX LIABILITY WHICH WOULD RESULT IF  
8        THE QUALIFIED REAL ESTATE ENTITY DID NOT EXIST.

9        (3) AS USED IN THIS SECTION:

10        (A) "QUALIFIED REAL ESTATE" MEANS REAL ESTATE THAT IS LOCATED

1 OUTSIDE THIS STATE AND THAT IS ACQUIRED PRIOR TO THE EFFECTIVE DATE  
2 OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

3 (B) "QUALIFIED REAL ESTATE ENTITY" MEANS A PERSON THAT IS  
4 DIRECTLY OR INDIRECTLY OWNED BY LESS THAN 6 INDIVIDUALS, THAT  
5 GENERATES INCOME EXCLUSIVELY FROM THE MANAGEMENT, OPERATION, OR  
6 SALE OF QUALIFIED REAL ESTATE, AND THAT HAS LESS THAN \$10,000.00 OF  
7 BUSINESS INCOME FROM WORKING CAPITAL THAT IS RELATED TO THE  
8 MANAGEMENT, OPERATION, OR SALE OF QUALIFIED REAL ESTATE.