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SENATE BILL No. 934

November 29, 2007, Introduced by Senator HUNTER and referred to the Committee on Finance.

A bill to amend 1990 PA 100, entitled "City utility users tax act,"

by amending section 5 (MCL 141.1155), as amended by 2004 PA 322.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 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

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- 1 125.2681 to 125.2696. As used in this subsection, "casino" means a
- 2 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 and
- 5 revenue act, the Initiated Law of 1996 IL 1, MCL 432.201 to
- 6 432.216 432.226.
- 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 the
- 17 exemption with the treasurer of the city that imposes the tax under
- 18 this ordinance on a form prescribed by the city. The affidavit
- 19 under this subsection shall be filed on or before September 1 of
- 20 each year that a taxpayer claims the exemption under subsection (3)
- 21 and shall include all of the following:
- 22 (a) A statement that the qualified start-up business was
- 23 eliqible for and claimed the credit allowed under section 31a of
- 24 the single business tax act, 1975 PA 228, MCL 208.31a, OR SECTION
- 25 415 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL 208.1415, in
- 26 the tax year that ended immediately before the November 1 in which
- 27 the exemption under subsection (3) will be claimed.

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- 1 (b) A copy of the qualified start-up business's annual return
- 2 required under the single business tax act, 1975 PA 228, MCL 208.1
- 3 to 208.145, OR THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36, MCL
- 4 208.1101 TO 208.1601, for the year in which the credit was claimed
- 5 under section 31a of the single business tax act, 1975 PA 228, MCL
- 6 208.31a, OR SECTION 415 OF THE MICHIGAN BUSINESS TAX ACT, 2007 PA
- 7 36, MCL 208.1415, upon which the exemption under subsection (3) is
- 8 based.
- 9 (c) A statement authorizing the department of treasury to
- 10 release information contained in the qualified start-up business's
- 11 annual return filed under the single business tax act, 1975 PA 228,
- 12 MCL 208.1 to 208.145, OR THE MICHIGAN BUSINESS TAX ACT, 2007 PA 36,
- 13 MCL 208.1101 TO 208.1601, that pertains to the qualified start-up
- 14 business credit claimed under section 31a of the single business
- 15 tax act, 1975 PA 228, MCL 208.31a, OR SECTION 415 OF THE MICHIGAN
- 16 BUSINESS TAX ACT, 2007 PA 36, MCL 208.1415, upon which an exemption
- 17 under subsection (3) is based to the city.
- 18 (5) An exemption under subsection (3) is not allowed unless
- 19 the governing body of the city that collects the tax under this act
- 20 adopts a resolution approving the exemption. Exemptions under
- 21 subsection (3) shall be approved at the last official meeting of
- 22 the governing body of the city in September of each year. The
- 23 resolution adopted by the governing body of the city may approve
- 24 the exemption provided in subsection (3) for 1 or more of the
- 25 qualified start-up businesses that claim the exemption under
- 26 subsection (3) by filing an affidavit on or before September 1 as
- 27 provided in subsection (4).

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- 1 (6) A qualified start-up business shall not receive the
- 2 exemption under subsection (3) for more than a total of 5 tax
- 3 years. A qualified start-up business may receive the exemption
- 4 under subsection (3) in nonconsecutive tax years.
- 5 (7) As used in this section, "qualified start-up business"
- 6 means that term as defined in section 31a of the single business
- 7 tax act, 1975 PA 228, MCL 208.31a, OR SECTION 415 OF THE MICHIGAN
- 8 BUSINESS TAX ACT, 2007 PA 36, MCL 208.1415.