

SENATE BILL No. 1519

September 18, 2008, Introduced by Senators CASSIS, GEORGE, JANSEN and GILBERT and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending sections 431, 431a, 431b, and 431c (MCL 208.1431,
208.1431a, 208.1431b, and 208.1431c), section 431 as amended by
2008 PA 111, section 431a as added by 2008 PA 92, section 431b as
added by 2008 PA 109, and section 431c as added by 2008 PA 88.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 431. (1) Except as otherwise provided under this
2 subsection, for a period of time not to exceed 20 years as
3 determined by the Michigan economic growth authority, a taxpayer
4 that is an authorized business may claim a credit against the tax
5 imposed by this act equal to the amount certified each year by the
6 Michigan economic growth authority as follows:

1 (a) Except as otherwise provided under this subdivision, for
2 an authorized business for the tax year, an amount not to exceed
3 the payroll of the authorized business attributable to employees
4 who perform qualified new jobs as determined under the Michigan
5 economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810,
6 multiplied by the tax rate; beginning after ~~the effective date of~~
7 ~~the amendatory act that added subdivision (d)~~ **APRIL 28, 2008**, for
8 an authorized business for the tax year, an amount not to exceed
9 the sum of the payroll and health care benefits of the authorized
10 business attributable to employees who perform qualified new jobs
11 as determined under the Michigan economic growth authority act,
12 1995 PA 24, MCL 207.801 to 207.810, multiplied by the tax rate.

13 (b) For an eligible business as determined under section
14 8(5)(a) of the Michigan economic growth authority act, 1995 PA 24,
15 MCL 207.808, an amount not to exceed 50% of the payroll of the
16 authorized business attributable to employees who perform retained
17 jobs as determined under the Michigan economic growth authority
18 act, 1995 PA 24, MCL 207.801 to 207.810, multiplied by the tax rate
19 for the tax year.

20 (c) For an eligible business as determined under section
21 8(5)(b) of the Michigan economic growth authority act, 1995 PA 24,
22 MCL 207.808, an amount not to exceed the payroll of the authorized
23 business attributable to employees who perform retained jobs as
24 determined under the Michigan economic growth authority act, 1995
25 PA 24, MCL 207.801 to 207.810, multiplied by the tax rate for the
26 tax year.

27 (d) For an authorized business that is a qualified high-

1 technology business, for a period of time not to exceed 7 years as
2 determined by the Michigan economic growth authority, an amount not
3 to exceed 200% of the sum of the payroll and health care benefits
4 of the qualified high-technology business attributable to employees
5 who perform qualified new jobs as determined under the Michigan
6 economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810,
7 for the first 3 tax years of the credit, multiplied by the tax rate
8 and, for each of the remaining tax years of the credit, an amount
9 not to exceed 100% of the sum of the payroll and health care
10 benefits of the qualified high-technology business attributable to
11 employees who perform qualified new jobs as determined under the
12 Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to
13 207.810, multiplied by the tax rate.

14 (e) For an authorized business as determined under section
15 8(9) of the Michigan economic growth authority act, 1995 PA 24, MCL
16 207.808, an amount up to, but not to exceed 100% of, the sum of the
17 payroll and health care benefits of the authorized business
18 attributable to employees who perform retained jobs multiplied by a
19 fraction, the numerator of which is the amount of new capital
20 investment made at the facility and the denominator of which is the
21 product of the number of retained jobs multiplied by \$100,000.00,
22 and then multiplied by the tax rate for the tax year.

23 (f) For an authorized business as determined under section
24 8(11) of the Michigan economic growth authority act, 1995 PA 24,
25 MCL 207.808, an amount not to exceed 100% of the sum of the payroll
26 and health care benefits of the authorized business attributable to
27 employees who perform new full-time jobs and retained jobs as

1 determined under the Michigan economic growth authority act, 1995
2 PA 24, MCL 207.801 to 207.810, multiplied by the tax rate for the
3 tax year.

4 (2) A taxpayer shall not claim a credit under this section
5 unless the Michigan economic growth authority has issued a
6 certificate to the taxpayer. The taxpayer shall attach the
7 certificate to the annual return filed under this act on which a
8 credit under this section is claimed.

9 (3) The certificate required by subsection (2) shall state all
10 of the following:

11 (a) The taxpayer is an authorized business.

12 (b) The amount of the credit under this section for the
13 authorized business for the designated tax year.

14 (c) The taxpayer's federal employer identification number or
15 the Michigan department of treasury number assigned to the
16 taxpayer.

17 (4) The Michigan economic growth authority may certify a
18 credit under this section based on an agreement entered into prior
19 to January 1, 2008 pursuant to section 37c of former 1975 PA 228.
20 The number of years for which the credit may be claimed under this
21 section shall equal the maximum number of years designated in the
22 resolution reduced by the number of years for which a credit has
23 been claimed or could have been claimed under section 37c of former
24 1975 PA 228.

25 (5) ~~If the~~ **FOR A CREDIT CERTIFIED UNDER THIS SECTION BASED ON**
26 **AN AGREEMENT ENTERED INTO PRIOR TO JANUARY 1, 2009, IF THAT** credit
27 allowed under this section exceeds the tax liability of the

1 taxpayer for the tax year, that portion of the credit that exceeds
2 the tax liability of the taxpayer shall be refunded. **FOR A CREDIT**
3 **CERTIFIED UNDER THIS SECTION BASED ON AN AGREEMENT ENTERED ON OR**
4 **AFTER JANUARY 1, 2009, IF THAT CREDIT ALLOWED UNDER THIS SECTION**
5 **EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT**
6 **PORTION THAT EXCEEDS THE TAX LIABILITY OF THE TAXPAYER SHALL NOT BE**
7 **REFUNDED, BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN**
8 **SUBSEQUENT TAX YEARS FOR 10 TAX YEARS OR UNTIL USED UP, WHICHEVER**
9 **OCCURS FIRST.**

10 (6) Except as otherwise provided under this subsection, a
11 taxpayer that claims a credit under subsection (1) or section 37c
12 or 37d of former 1975 PA 228, that has an agreement with the
13 Michigan economic growth authority based on qualified new jobs as
14 defined in section 3(p)(ii) of the Michigan economic growth
15 authority act, 1995 PA 24, MCL 207.803, and that removes from this
16 state 51% or more of those qualified new jobs within 3 years after
17 the first year in which the taxpayer claims a credit described in
18 this subsection shall pay to the department no later than 12 months
19 after those qualified new jobs are removed from the state an amount
20 equal to the total of all credits described in this subsection that
21 were claimed by the taxpayer. Beginning after ~~the effective date of~~
22 ~~the amendatory act that added subsection (1)(d)~~ **APRIL 28, 2008**, a
23 taxpayer that claims a credit under subsection (1) and subsequently
24 fails to meet the requirements of this section or any other
25 conditions included in an agreement entered into with the Michigan
26 economic growth authority in order to obtain a certificate for the
27 credit claimed under this section or removes any of the qualified

1 new jobs from this state during the term of the written agreement
2 and for a period of years after the term of the written agreement,
3 as determined by the Michigan economic growth authority, may have
4 its credit reduced or terminated or have a percentage of the credit
5 amount previously claimed under this section added back to the tax
6 liability of the taxpayer in the tax year that the taxpayer fails
7 to comply with this section or the agreement.

8 (7) If the Michigan economic growth authority or a designee of
9 the Michigan economic growth authority requests that a taxpayer
10 that claims the credit under this section get a statement prepared
11 by a certified public accountant verifying that the actual number
12 of new jobs created is the same number of new jobs used to
13 calculate the credit under this section, the taxpayer shall get the
14 statement and attach that statement to its annual return under this
15 act on which the credit under this section is claimed.

16 (8) A credit shall not be claimed by a taxpayer under this
17 section if the taxpayer's initial certification as required in
18 subsection (3) is issued after December 31, 2013.

19 (9) For purposes of this section, taxpayer includes a person
20 subject to the tax imposed under chapters 2A and 2B.

21 (10) As used in this section:

22 (a) "Authorized business", "facility", "full-time job",
23 "qualified high-technology business", "retained jobs", and "written
24 agreement" mean those terms as defined in the Michigan economic
25 growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

26 (b) "Health care benefits" means all costs paid for a self-
27 funded health care benefit plan or for an expense-incurred

1 hospital, medical, or surgical policy or certificate, nonprofit
2 health care corporation certificate, or health maintenance
3 organization contract. Health care benefit does not include
4 accident-only, credit, dental, or disability income insurance;
5 long-term care insurance; coverage issued as a supplement to
6 liability insurance; coverage only for a specified disease or
7 illness; worker's compensation or similar insurance; or automobile
8 medical payment insurance.

9 (c) "Michigan economic growth authority" means the Michigan
10 economic growth authority created in the Michigan economic growth
11 authority act, 1995 PA 24, MCL 207.801 to 207.810.

12 (d) "Payroll" means the total salaries and wages before
13 deducting any personal or dependency exemptions.

14 (e) "Qualified new jobs" means 1 or more of the following:

15 (i) The average number of full-time jobs at a facility of an
16 authorized business for a tax year in excess of the average number
17 of full-time jobs the authorized business maintained in this state
18 prior to the expansion or location as that is determined under the
19 Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to
20 207.810.

21 (ii) The average number of full-time jobs at a facility created
22 by an eligible business up to 90 days before becoming an authorized
23 business that is in excess of the average number of full-time jobs
24 that the business maintained in this state up to 90 days before
25 becoming an authorized business, as determined under the Michigan
26 economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

27 (f) "Tax rate" means the rate imposed under section 51 of the

1 income tax act of 1967, 1967 PA 281, MCL 206.51, for the tax year
2 in which the tax year of the taxpayer for which the credit is being
3 computed begins.

4 Sec. 431a. (1) A qualified taxpayer may claim a credit against
5 the tax imposed by this act in an amount up to 100% of the
6 qualified supplier's or customer's payroll attributable to
7 employees who perform qualified new jobs as determined by the
8 Michigan economic growth authority, multiplied by the tax rate for
9 the tax year for a period of up to 5 years as determined by the
10 Michigan economic growth authority. If the credit allowed under
11 this subsection exceeds the liability of the taxpayer for the tax
12 year, ~~the taxpayer may elect to have that portion that exceeds the~~
13 ~~tax liability of the taxpayer refunded or to have the excess~~ **THAT**
14 **PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY OF THE**
15 **TAXPAYER SHALL NOT BE REFUNDED, BUT MAY BE** carried forward to
16 offset tax liability in subsequent years for 10 years or until it
17 is used up, whichever occurs first. The Michigan economic growth
18 authority shall not designate more than 5 taxpayers as an anchor
19 company in each calendar year and shall not approve more than 5 new
20 credits in each calendar year under this subsection. A taxpayer has
21 5 years from the date on which the taxpayer is designated as an
22 anchor company to seek certification from the Michigan economic
23 growth authority as a qualified taxpayer for each qualified
24 supplier or customer for which a credit is sought under this
25 section. However, a credit shall not be provided for a tax year
26 prior to the tax year during which the certification is made. If a
27 qualified taxpayer is awarded a credit under this subsection, any

1 subsequent credits awarded to that qualified taxpayer shall not be
2 included in determining the yearly limit of 5 new credits under
3 this subsection.

4 (2) The Michigan economic growth authority may also provide
5 that qualified sales to a qualified supplier or customer are not
6 sales in this state for purposes of calculating the sales factor
7 under this act for the tax year for which a credit is provided
8 under this section. Qualified sales to a qualified supplier or
9 customer are the total sales in this state to a qualified supplier
10 or customer multiplied by a fraction, the numerator of which is the
11 compensation on which the credit in this section is calculated and
12 the denominator of which is the total compensation of the qualified
13 supplier or customer in this state.

14 (3) A taxpayer shall not claim a credit under this section
15 unless the Michigan economic growth authority has issued a
16 certificate to the taxpayer. The taxpayer shall attach the
17 certificate to the annual return filed under this act on which the
18 credit under this section is claimed. The certificate required by
19 this subsection shall state all of the following:

20 (a) The taxpayer is a qualified taxpayer and the date on which
21 the taxpayer was designated as an anchor company.

22 (b) The amount of the credit under this section for the
23 qualified taxpayer for the designated tax year.

24 (c) The amount of the qualified sales calculated in accordance
25 with the fraction described under subsection (2).

26 (d) The taxpayer's federal employer identification number or
27 the Michigan department of treasury number assigned to the

1 taxpayer.

2 (4) A taxpayer that claims a credit under this section and
3 subsequently fails to meet the requirements of this section or any
4 other conditions included in an agreement entered into with the
5 Michigan economic growth authority in order to obtain a certificate
6 for which the credit was under this section may, as to be
7 determined by the Michigan economic growth authority, have its
8 credit reduced or terminated or have a percentage of the credit
9 amount previously claimed under this section added back to the tax
10 liability of the taxpayer in the year that the taxpayer fails to
11 comply with this section or the agreement.

12 (5) As used in this section:

13 (a) "Anchor company" means a qualified high-technology
14 business that is an integral part of a high-technology activity and
15 that has the ability or potential ability to influence business
16 decisions and site location of qualified suppliers and customers.

17 (b) "Business", "qualified high-technology activity", and
18 "qualified high-technology business" mean those terms as defined in
19 the Michigan economic growth authority act, 1995 PA 24, MCL 207.801
20 to 207.810.

21 (c) "Full-time job" means a job performed by an individual for
22 35 hours or more each week and whose income and social security
23 taxes are withheld by 1 or more of the following:

24 (i) A qualified supplier or customer.

25 (ii) An employee leasing company on behalf of a qualified
26 supplier or customer.

27 (iii) A professional employer organization on behalf of a

1 qualified supplier or customer.

2 (d) "Michigan economic growth authority" means the Michigan
3 economic growth authority created in the Michigan economic growth
4 authority act, 1995 PA 24, MCL 207.801 to 207.810.

5 (e) "Qualified new job" means a full-time job created by a
6 qualified supplier or customer at a facility or facilities that is
7 in excess of the number of full-time jobs a qualified supplier or
8 customer maintained in this state or at a facility prior to the
9 expansion or location, as determined by the authority.

10 (f) "Qualified supplier or customer" means a business that
11 opens a new location in this state, a business that locates in this
12 state, or an existing business located in this state that expands
13 its business within the last year as a result of an anchor company
14 and satisfies, as certified by the Michigan economic growth
15 authority, each of the following:

16 (i) Has financial transactions with the anchor company.

17 (ii) Sells a critical or unique component or technology
18 necessary for the anchor company to market a finished product or
19 buys a critical or unique component from the anchor company.

20 (iii) Has created more than 10 qualified new jobs.

21 (iv) Has made an investment of at least \$1,000,000.00 as
22 certified by the Michigan economic growth authority.

23 (g) "Qualified taxpayer" means a taxpayer that was designated
24 by the Michigan economic growth authority as an anchor company
25 within the last 5 years and that has influenced a new qualified
26 supplier or customer to open, locate, or expand in this state.

27 Sec. 431b. (1) Upon application, a person or group of persons

1 acting collectively may enter into an agreement with the Michigan
2 economic growth authority for a credit under this section. In
3 determining whether to enter into an agreement with a person or
4 group of persons, the authority shall consider the following
5 factors:

6 (a) The number of qualified new jobs or products, or both, to
7 be created or maintained as a result of winning a federal
8 procurement contract offered by the United States department of
9 defense, department of energy, or department of homeland security.

10 (b) The potential impact of the expansion, retention, or
11 location on the economy of Michigan if the person or group of
12 persons acting collectively is awarded the federal contract
13 described under subdivision (a).

14 (c) The number of out-of-state persons bidding against the
15 person or group of persons acting collectively for the federal
16 contract described under subdivision (a).

17 (d) The total capital investment or new capital investment the
18 person or group of persons acting collectively will make to win and
19 maintain the federal contract described under subdivision (a).

20 (2) The agreement required under subsection (1) shall include,
21 but is not limited to, all of the following:

22 (a) A description of the federal contract for which the person
23 or group of persons acting collectively intends to bid.

24 (b) A description of the person's or group's expansion,
25 retention, or location that is necessary if awarded the federal
26 contract that is the subject of the agreement.

27 (c) Conditions upon which the person or group of persons

1 acting collectively is designated a qualified taxpayer under this
2 section.

3 (d) A statement by the person or group of persons acting
4 collectively that a violation of the written agreement may result
5 in the revocation of the designation as a qualified taxpayer and
6 the loss or reduction of future credits under this section.

7 (e) A statement by the person or group of persons acting
8 collectively that a misrepresentation in the application may result
9 in the revocation of the designation as a qualified taxpayer and
10 the refund of credits received under this section.

11 (f) A method for measuring qualified new jobs before and after
12 the award of a federal contract and the expansion, retention, or
13 location of the person or group of persons acting collectively in
14 this state as a result of winning the federal contract.

15 (3) A qualified taxpayer may claim a credit against the tax
16 imposed by this act in an amount up to 100% of the qualified
17 taxpayer's payroll attributable to employees who perform qualified
18 new jobs created as a result of the person or group of persons
19 acting collectively being awarded a federal procurement contract by
20 the United States department of defense, department of energy, or
21 department of homeland security as determined by the Michigan
22 economic growth authority, multiplied by the tax rate for the tax
23 year for a period of up to 7 years or the term of the contract,
24 whichever is less, as determined by the Michigan economic growth
25 authority. If the qualified taxpayer is a group of persons acting
26 collectively, the Michigan economic growth authority shall
27 determine the amount of the credit which each person included in

1 the group is allowed to claim by multiplying the amount of the
2 credit allowed collectively by the qualified taxpayer by a
3 fraction, the numerator of which is the person's payroll
4 attributable to employees who perform qualified new jobs and the
5 denominator of which is 100% of the qualified taxpayer's payroll
6 attributable to employees who perform qualified new jobs, and then
7 certifying the amount of the credit that each person is allowed to
8 claim respectively. If the credit allowed under this subsection
9 exceeds the liability of the taxpayer for the tax year, ~~the~~
10 ~~taxpayer may elect to have that portion that exceeds the tax~~
11 ~~liability of the taxpayer refunded or to have the excess~~ **THAT**
12 **PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY OF THE**
13 **TAXPAYER SHALL NOT BE REFUNDED, BUT MAY BE** carried forward to
14 offset tax liability in subsequent years for 10 years or until it
15 is used up, whichever occurs first. The Michigan economic growth
16 authority shall not execute more than 10 new written agreements
17 each year. If a qualified taxpayer is awarded a credit under this
18 section, any subsequent credits awarded to that qualified taxpayer
19 shall not be included in determining the yearly limit of 10 new
20 agreements under this subsection.

21 (4) A taxpayer shall not claim a credit under this section
22 unless the Michigan economic growth authority has issued the
23 taxpayer a certificate of designation as a qualified taxpayer.
24 However, a credit shall not be provided for a tax year prior to the
25 tax year during which the certification is made. The taxpayer shall
26 attach the certificate to the annual return filed under this act on
27 which the credit under this section is claimed. The certificate

1 required by this subsection shall state all of the following:

2 (a) The taxpayer is a qualified taxpayer.

3 (b) The amount of the credit under this section for the
4 qualified taxpayer for the designated tax year or, if the qualified
5 taxpayer is a group of persons, the percentage of the amount of the
6 credit that the taxpayer is allowed to claim for the designated tax
7 year.

8 (c) The taxpayer's federal employer identification number or
9 the Michigan department of treasury number assigned to the
10 taxpayer.

11 (5) As used in this section:

12 (a) "Full-time job" means a job performed by an individual for
13 35 hours or more each week and whose income and social security
14 taxes are withheld by 1 or more of the following:

15 (i) A taxpayer.

16 (ii) An employee leasing company on behalf of a taxpayer.

17 (iii) A professional employer organization on behalf of a
18 taxpayer.

19 (b) "Michigan economic growth authority" or "authority" means
20 the Michigan economic growth authority created in the Michigan
21 economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

22 (c) "Qualified new job" means a full-time job created by a
23 qualified taxpayer at a facility or facilities that is in excess of
24 the number of full-time jobs the qualified taxpayer maintained in
25 this state or at a facility prior to being awarded the federal
26 procurement contract and the expansion or location, as determined
27 by the authority.

1 (d) "Qualified taxpayer" means a person that individually
2 satisfies each of the following or a group of 1 or more persons
3 that enter into a cooperative or informal agreement to act
4 collectively and satisfy each of the following:

5 (i) Has entered into an agreement with the authority as
6 described under this section.

7 (ii) Has submitted a competitive bid for a federal procurement
8 contract offered by the United States department of defense,
9 department of energy, or department of homeland security.

10 (iii) Has been awarded the federal contract for which the person
11 or group of persons acting collectively submitted a bid under
12 subparagraph (ii).

13 (iv) Has created a minimum of 25 qualified new jobs.

14 Sec. 431c. (1) Except as otherwise provided under this
15 section, a qualified taxpayer may claim a credit against the tax
16 imposed by this act equal to the sum of up to 5.0% of the taxable
17 value of each qualified supplier's or customer's taxable property
18 that is located within the 10-mile radius of the qualified taxpayer
19 and that is subject to collection of general ad valorem taxes under
20 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,
21 for a period of up to 5 years, as determined by the Michigan
22 economic growth authority. If a qualified supplier's or customer's
23 taxable property is subject to the specific tax levied under 1974
24 PA 198, MCL 207.551 to 207.572, the qualified taxpayer may only
25 include up to 2.5% of the taxable value of that property in the
26 calculation of the amount of the credit allowed under this section.
27 The Michigan economic growth authority shall not designate more

1 than 5 taxpayers as an anchor company in each calendar year and
2 shall not approve more than 5 new credits in each calendar year
3 under this subsection. A taxpayer has 5 years from the date on
4 which the taxpayer is designated as an anchor company to seek
5 certification as a qualified taxpayer for each qualified supplier
6 or customer for which a credit is sought under this section.

7 (2) A taxpayer shall not claim a credit under this section
8 unless the Michigan economic growth authority has issued a
9 certificate to the qualified taxpayer. However, a credit shall not
10 be provided for a tax year prior to the tax year during which the
11 certification is issued. The qualified taxpayer shall attach the
12 certificate to the annual return filed under this act on which the
13 credit under this section is claimed. The certificate required by
14 this subsection shall state all of the following:

15 (a) The taxpayer is a qualified taxpayer and the date on which
16 the taxpayer was designated as an anchor company.

17 (b) The amount of the credit under this section for the
18 taxpayer for the designated tax year.

19 (c) The taxpayer's federal employer identification number or
20 the Michigan department of treasury number assigned to the
21 taxpayer.

22 (3) A qualified taxpayer that claims a credit under this
23 section and subsequently fails to meet the requirements of this
24 section or any other conditions established by the Michigan
25 economic growth authority in order to obtain a certificate for
26 which the credit was claimed under this section may, as to be
27 determined by the Michigan economic growth authority, have its

1 credit reduced or terminated or have a percentage of the credit
2 amount previously claimed under this section added back to the tax
3 liability of the qualified taxpayer in the year that the qualified
4 taxpayer fails to comply with this section or the agreement.

5 (4) If the credit allowed under this subsection exceeds the
6 liability of the qualified taxpayer for the tax year, ~~the qualified~~
7 ~~taxpayer may elect to have that portion that exceeds the tax~~
8 ~~liability of the qualified taxpayer refunded or to have the excess~~
9 **THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY OF THE**
10 **QUALIFIED TAXPAYER SHALL NOT BE REFUNDED, BUT MAY BE** carried
11 forward to offset tax liability in subsequent years for 5 years or
12 until it is used up, whichever occurs first.

13 (5) As used in this section:

14 (a) "Anchor company" means a qualified high-technology
15 business that is an integral part of a high-technology activity and
16 that has the ability or potential ability to influence business
17 decisions and site location of qualified suppliers and customers.

18 (b) "Business", "qualified high-technology activity", and
19 "qualified high-technology business" mean those terms as defined in
20 the Michigan economic growth authority act, 1995 PA 24, MCL 207.801
21 to 207.810.

22 (c) "Full-time job" means a job performed by an individual for
23 35 hours or more each week and whose income and social security
24 taxes are withheld by 1 or more of the following:

25 (i) A qualified supplier or customer.

26 (ii) An employee leasing company on behalf of a qualified
27 supplier or customer.

1 (iii) A professional employer organization on behalf of a
2 qualified supplier or customer.

3 (d) "Michigan economic growth authority" means the Michigan
4 economic growth authority created in the Michigan economic growth
5 authority act, 1995 PA 24, MCL 207.801 to 207.810.

6 (e) "Qualified new job" means a full-time job created by a
7 qualified supplier or customer at a facility or facilities that is
8 in excess of the number of full-time jobs a qualified supplier or
9 customer maintained in this state or facility prior to the
10 expansion or location, as determined by the authority.

11 (f) "Qualified supplier or customer" means a business that
12 opens a new location in this state, a business that locates in this
13 state, or an existing business located in this state that expands
14 its business within the last year as a result of an anchor company
15 and satisfies, as certified by the Michigan economic growth
16 authority, each of the following:

17 (i) Has financial transactions with the anchor company.

18 (ii) Sells a critical or unique component or technology
19 necessary for the anchor company to market a finished product or
20 buys a critical or unique component from the anchor company.

21 (iii) Has created more than 10 qualified new jobs.

22 (iv) Has made an investment of at least \$1,000,000.00 as
23 certified by the Michigan economic growth authority.

24 (g) "Qualified taxpayer" means a taxpayer that was designated
25 by the Michigan economic growth authority as an anchor company
26 within the last 5 years and that has influenced 1 or more qualified
27 suppliers or customers to open, locate, or expand their business

1 and conduct business activity within a 10-mile radius of the anchor
2 company.

3 Enacting section 1. This amendatory act takes effect January
4 1, 2009.