

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 361

(As amended September 23, 2010)

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 471.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 471. (1) FOR THE [TAXPAYER'S FIRST TAX YEAR THAT BEGINS AFTER
2 DECEMBER 31, 2010] ONLY, A TAXPAYER THAT IS A
3 WHOLESALE DEALER, RETAIL DEALER, DISTRIBUTOR, MANUFACTURER, OR
4 SELLER THAT HAD RECEIPTS FROM THE SALE OF CIGARETTES OR TOBACCO
5 PRODUCTS AND PAID THE FEDERAL AND STATE EXCISE TAXES ON OR FOR SUCH
6 CIGARETTES OR TOBACCO PRODUCTS UNDER SUBTITLE E OF THE INTERNAL
7 REVENUE CODE OR OTHER APPLICABLE STATE LAW DURING THE 2008 AND 2009
8 TAX YEARS MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT
9 EQUAL TO THE SUM OF THE FOLLOWING:

1 (A) THE DIFFERENCE BETWEEN THE TAXPAYER'S MODIFIED GROSS

1 RECEIPTS TAX LIABILITY FOR THE 2008 TAX YEAR AND THE TAXPAYER'S
2 MODIFIED GROSS RECEIPTS TAX LIABILITY IF THE TAXPAYER HAD BEEN
3 ALLOWED TO DEDUCT 100% OF THE FEDERAL AND STATE EXCISE TAXES ON OR
4 FOR SUCH CIGARETTES OR TOBACCO PRODUCTS UNDER SUBTITLE E OF THE
5 INTERNAL REVENUE CODE OR OTHER APPLICABLE STATE LAW UNDER SECTION
6 111(1) (AA) (ii) RATHER THAN 60%.

7 (B) THE DIFFERENCE BETWEEN THE TAXPAYER'S MODIFIED GROSS
8 RECEIPTS TAX LIABILITY FOR THE 2009 TAX YEAR AND THE TAXPAYER'S
9 MODIFIED GROSS RECEIPTS TAX LIABILITY IF THE TAXPAYER HAD BEEN
10 ALLOWED TO DEDUCT 100% OF THE FEDERAL AND STATE EXCISE TAXES ON OR
11 FOR SUCH CIGARETTES OR TOBACCO PRODUCTS UNDER SUBTITLE E OF THE
12 INTERNAL REVENUE CODE OR OTHER APPLICABLE STATE LAW UNDER SECTION
13 111(1) (AA) (ii) RATHER THAN 75%.

14 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
15 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
16 EXCESS SHALL BE REFUNDED.