

**SUBSTITUTE FOR  
HOUSE BILL NO. 4940**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 701 (MCL 206.701), as amended by 2011 PA 194.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 701. As used in this part:

2       (a) "Casino" means that term as defined in section 110.

3       (b) "Casino licensee" means a person licensed to operate a  
4 casino under the Michigan gaming control and revenue act, 1996 IL  
5 1, MCL 432.201 to 432.226.

6       (c) "Eligible production company" means that term as defined  
7 under section 455 of the Michigan business tax act, 2007 PA 36, MCL  
8 208.1455.

9       (d) "Flow-through entity" means an entity that for the

1 applicable tax year is treated as an S corporation under section  
2 1362(a) of the internal revenue code, a general partnership, a  
3 limited partnership, a limited liability partnership, or a limited  
4 liability company, that for the applicable tax year is not taxed as  
5 a corporation for federal income tax purposes. **FLOW-THROUGH ENTITY**  
6 **DOES NOT INCLUDE ANY ENTITY DISREGARDED UNDER SECTION 699.**

7 (e) "Member" means a shareholder of an S corporation, a  
8 partner in a general partnership, a limited partnership, or a  
9 limited liability partnership, a member of a limited liability  
10 company, or a beneficiary of a trust, that is a flow-through  
11 entity.

12 (f) "Nonresident" means an individual who is not a resident of  
13 or domiciled in this state, a business entity that does not have  
14 its commercial domicile in this state, or a trust not organized in  
15 this state.

16 (g) "Partnership" means a taxpayer that is required to or has  
17 elected to file as a partnership for federal income tax purposes.

18 (h) "Publicly traded partnership" means that term as defined  
19 under section 7704 of the internal revenue code.

20 (i) "Race meeting licensee" and "track licensee" mean a person  
21 to whom a race meeting license or track license is issued pursuant  
22 to section 8 of the horse racing law of 1995, 1995 PA 279, MCL  
23 431.308.

24 (j) "S corporation" means a corporation electing taxation  
25 under subchapter S of chapter 1 of subtitle A of the internal  
26 revenue code, sections 1361 to 1379 of the internal revenue code.

27 Enacting section 1. This amendatory act takes effect January

1 1, 2012.