

HOUSE BILL No. 4943

September 13, 2011, Introduced by Rep. Gilbert and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 667 (MCL 206.667), as added by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 667. (1) If the apportionment provisions of this part do
2 not fairly represent the extent of the taxpayer's business activity
3 in this state, the taxpayer may petition for or the **STATE** treasurer
4 may require the following, with respect to all or a portion of the
5 taxpayer's business activity, if reasonable:

6 (a) Separate accounting.

7 (b) The inclusion of 1 or more additional or alternative
8 factors that will fairly represent the taxpayer's business activity
9 in this state.

10 (c) The use of any other method to effectuate an equitable

1 allocation and apportionment of the taxpayer's tax base.

2 (2) An alternate method may be used only if it is approved by
3 the department.

4 (3) The apportionment provisions of this part shall be
5 rebuttably presumed to fairly represent the business activity
6 attributed to the taxpayer in this state, taken as a whole and
7 without a separate examination of the specific elements of the tax
8 base unless it can be demonstrated that the business activity
9 attributed to the taxpayer in this state is out of all appropriate
10 proportion to the actual business activity transacted in this state
11 and leads to a grossly distorted result or would operate
12 unconstitutionally to tax the extraterritorial activity of the
13 taxpayer.

14 (4) The filing of a return or an amended return is not
15 considered a petition for the purposes of subsection (1).

16 Enacting section 1. This amendatory act takes effect January
17 1, 2012.