

MICHIGAN BUSINESS TAX ACT (EXCERPT)
Act 36 of 2007

***** 208.1503 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1503 Computation of tax for portion of year.

Sec. 503.

(1) If a taxpayer's tax year to which this act applies ends before December 31, 2008 or if a taxpayer's first tax year is less than 12 months then a taxpayer subject to this act may elect to compute the tax imposed by this act for the portion of that tax year to which this act applies or that first tax year in accordance with 1 of the following methods:

(a) The tax may be computed as if this act were effective on the first day of the taxpayer's annual accounting period and the amount computed shall be multiplied by a fraction, the numerator of which is the number of months in the taxpayer's first tax year and the denominator of which is the number of months in the taxpayer's annual accounting period.

(b) The tax may be computed by determining the business income tax base and modified gross receipts tax base in the first tax year in accordance with an accounting method satisfactory to the department that reflects the actual business income tax base and modified gross receipts tax base attributable to the period.

(2) The method chosen by a taxpayer under this section that is subject to the tax imposed under this act and the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.713, for a portion of the same tax year shall be the same as the method used by that same taxpayer when computing the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.713, for the other portion of that same tax year.

(3) A taxpayer that is subject to the tax imposed under this act and required to file 2 separate short period annual returns encompassing a fractional part of the taxpayer's same fiscal tax year shall elect to compute the tax imposed by this act for each short period return for each respective portion of the same fiscal tax year using the same method as provided under this section. A taxpayer that files 2 separate short period annual returns for a fractional part of the same year as provided under this subsection and section 117(4) shall calculate and claim its credits based on actions taken or payments made during the period represented on each short period return of those respective parts of the same tax year.

History: 2007, Act 36, Eff. Jan. 1, 2008 ;-- Am. 2009, Act 185, Eff. Jan. 1, 2009 ;-- Am. 2011, Act 209, Eff. Jan. 1, 2012

Compiler's Notes: Enacting section 1 of Act 36 of 2007 provides: "Enacting section 1. This act takes effect January 1, 2008 and applies to all business activity occurring after December 31, 2007." Enacting section 1 of Act 185 of 2009 provides: "Enacting section 1. This amendatory act is effective for tax years ending after December 31, 2008."

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