

# HOUSE BILL No. 4428

March 14, 1989, Introduced by Reps. Munsell, Emmons, Miller, Walberg, Webb, Randall, Gilmer, Stacey, Krause, Strand and Dunaskiss and referred to the Committee on Taxation.

A bill to amend section 4 of Act No. 228 of the Public Acts of 1975, entitled  
"Single business tax act,"  
as amended by Act No. 484 of the Public Acts of 1982, being section 208.4 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 4 of Act No. 228 of the Public Acts of  
2 1975, as amended by Act No. 484 of the Public Acts of 1982, being  
3 section 208.4 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5       Sec. 4. (1) "Casual transaction" means a transaction made  
6 or engaged in other than in the ordinary course of repeated and  
7 successive transactions of a like character, except that a  
8 transaction made or engaged in by a person ~~which~~ THAT is  
9 incidental to that person's regular business activity shall be

1 considered to be a business activity within the meaning of this  
2 act.

3 (2) "Commissioner" means the state commissioner of revenue.

4 (3) "Compensation" means all wages, salaries, fees, bonuses,  
5 commissions, or other payments made in the taxable year on behalf  
6 of or for the benefit of employees, officers, or directors of the  
7 taxpayers and subject to or specifically exempt from withholding  
8 under ~~section 3401~~ CHAPTER 24, SECTIONS 3401 TO 3406, of the  
9 internal revenue code. Compensation includes, on a cash or  
10 accrual basis consistent with the taxpayer's method of accounting  
11 for federal income tax purposes, payments to state and federal  
12 unemployment compensation funds ~~—~~ THROUGH DECEMBER 31, 1988;  
13 payments under the federal insurance contribution act and similar  
14 social insurance programs; ~~—~~ payments, including  
15 self-insurance, for ~~workmen's~~ WORKER'S DISABILITY compensation  
16 insurance ~~—~~ THROUGH DECEMBER 31, 1988; payments to individuals  
17 not currently working; ~~—~~ payments to dependents and heirs of  
18 individuals because of current or former labor services rendered  
19 by those individuals; ~~—~~ payments to a pension, retirement, or  
20 profit sharing plan; ~~—~~ and payments for insurance for which  
21 employees are the beneficiaries, including payments under health  
22 and welfare and noninsured benefit plans and payments of fees for  
23 the administration of health and welfare and noninsured benefit  
24 plans. Compensation does not include discounts on the price of  
25 the taxpayer's merchandise or services sold to the taxpayer's  
26 employees, officers, or directors ~~which~~ THAT are not available  
27 to other customers or payments to an independent contractor. IN

1 DETERMINING COMPENSATION PAID OR ACCRUED AFTER DECEMBER 31, 1988,  
2 COMPENSATION DOES NOT INCLUDE PAYMENTS TO STATE AND FEDERAL UNEM-  
3 PLOYMENT COMPENSATION FUNDS OR PAYMENTS, INCLUDING  
4 SELF-INSURANCE, FOR WORKER'S DISABILITY COMPENSATION INSURANCE.  
5 (4) "Department" means the revenue division of the depart-  
6 ment of treasury.