

# SENATE BILL No. 131

February 9, 1989, Introduced by Senators N. SMITH,  
WELBORN and CROPSEY and referred to the Committee  
on Finance.

A bill to amend Act No. 228 of the Public Acts of 1975,  
entitled  
"Single business tax act,"  
as amended, being sections 208.1 to 208.145 of the Michigan  
Compiled Laws, by adding section 36c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as  
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled  
3 Laws, is amended by adding section 36c to read as follows:  
4 SEC. 36C. (1) IN A TAX YEAR IN WHICH A TAXPAYER CLAIMS AND  
5 RECEIVES A CREDIT UNDER SECTION 36, THE TAXPAYER IS ALLOWED A  
6 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT IN AN AMOUNT EQUAL TO  
7 THE AMOUNT IN THAT TAX YEAR BY WHICH THE TAX IMPOSED BY THE  
8 GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF 1893,  
9 BEING SECTIONS 211.1 TO 211.157 OF THE MICHIGAN COMPILED LAWS,

1 PAID BY THE TAXPAYER ON REAL PROPERTY USED FOR THAT TAXPAYER'S  
2 BUSINESS ACTIVITY EXCEEDS 2% OF THAT TAXPAYER'S ADJUSTED BUSINESS  
3 INCOME AS THAT TERM IS DEFINED IN SECTION 36.

4 (2) THE AMOUNT ALLOWED AS A CREDIT UNDER THIS SECTION SHALL  
5 NOT EXCEED \$1,200.00 PER TAX YEAR.

6 (3) IF THE AMOUNT ALLOWED AS A CREDIT UNDER THIS SECTION  
7 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAXABLE YEAR,  
8 THE DEPARTMENT SHALL REFUND THE EXCESS TO THE TAXPAYER.

9 (4) FOR THE PURPOSE OF CALCULATING THE CREDIT PROVIDED BY  
10 THIS SECTION, A TAXPAYER WHO RENTS OR LEASES REAL PROPERTY USED  
11 FOR THE TAXPAYER'S BUSINESS ACTIVITY MAY CONSIDER 17% OF THE  
12 GROSS RENT PAID FOR THAT REAL PROPERTY AS TAX IMPOSED BY THE GEN-  
13 ERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF 1893, IF  
14 THE TAXPAYER DOES NOT PAY THE PROPERTY TAX ON THAT REAL PROPERTY  
15 UNDER THE TERMS OF THE RENTAL CONTRACT OR LEASE.

16 (5) THIS SECTION IS EFFECTIVE FOR TAX YEARS BEGINNING AFTER  
17 1988.