

SENATE BILL No. 1094

March 11, 2004, Introduced by Senators HARDIMAN, KUIPERS, SANBORN, BIRKHOLZ and TOY and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
by amending section 77 (MCL 208.77), as amended by 1999 PA 115.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 77. (1) ~~The commissioner may require or permit the~~
2 ~~filing of a consolidated or combined return by~~ **A taxpayer that**
3 **is** an affiliated group of United States corporations **may file a**
4 **consolidated or combined return** if all of the following
5 conditions exist:

6 (a) All members of the affiliated group are Michigan
7 taxpayers.

8 ~~(b) Each member of the affiliated group maintains a~~
9 ~~relationship with 1 or more members of the group which includes~~
10 ~~intercorporate transactions of a substantial nature other than~~
11 ~~control, ownership, or financing arrangements, or any combination~~

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1 thereof.

2 **(b)** ~~—(e)—~~ The business activities of each member of the
3 affiliated group are subject to apportionment by a specific
4 apportionment formula contained in this act which specific
5 formula also is applicable to all other members of the affiliated
6 group, and would be so applicable to each member even if it were
7 not a member of the affiliated group.

8 (2) As used in this section, "United States corporation"
9 means a domestic corporation as those terms are **described and**
10 defined in section 7701(a)(3) and (4) of the internal revenue
11 code.

12 Enacting section 1. This amendatory act takes effect for
13 tax years that begin after December 31, 2004.