HOUSE SUBSTITUTE FOR

SENATE BILL NO. 820

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
by amending section 37d (MCL 208.37d), as amended by 1999 PA 100.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 37d. (1) For tax years beginning after December 31, 1994, and for a period of time not to exceed 20 years as determined by the Michigan economic growth authority plus any carryforward years allowed under subsection (5), a taxpayer that is an authorized business may credit against the tax imposed by section 31 an amount equal to the tax liability attributable to authorized business activity.

(2) A taxpayer shall not claim a credit under this section unless the Michigan economic growth authority has issued a certificate to the taxpayer. The taxpayer shall attach the

certificate to the return filed under this act on which a credit under this section is claimed.

(3) The certificate required by subsection (2) shall state ~~both~~ **all** of the following:

(a) The taxpayer is an authorized business.

(b) The amount of the credit under this section for the authorized business for the designated tax year.

(c) The taxpayer's federal employer identification number or the Michigan treasury number assigned.

(4) The tax liability attributable to authorized business activity is the tax liability imposed by this act after the calculation of the credits provided in sections 36, 37, 38, and 39 multiplied by either of the following fractions as appropriate:

(a) For an authorized business locating a facility in this state, a fraction the numerator of which is the ratio of the value of the facility to all of the taxpayer's property located in this state plus the ratio of the taxpayer's payroll attributable to qualified new jobs to all of the taxpayer's payroll in this state and the denominator of which is 2.

(b) For an authorized business expanding at an existing site, a fraction the numerator of which is the ratio of the value of the new property added to the site as part of that expansion to all of the taxpayer's property located in this state plus the ratio of the taxpayer's payroll attributable to qualified new jobs to all of the taxpayer's payroll in this state and the denominator of which is 2.

(5) If the credit allowed under this section for the tax year and any unused carryforward of the credit allowed by this section exceed the taxpayer's tax liability for the tax year, that portion that exceeds the tax liability for the tax year shall not be refunded but may be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurs first.

(6) A credit shall not be claimed by a taxpayer under this section if the taxpayer's initial certification, as required in subsection (2), is issued after December 31, ~~2003~~ **2009**.

(7) As used in this section:

(a) "Authorized business" and "facility" mean those terms as defined in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(b) "Authorized business activity" means the business activity of an authorized business certified under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(c) "Michigan economic growth authority" means the Michigan economic growth authority created in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(d) "Qualified new jobs" means that term as defined in section 37c.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5255 of the 92nd Legislature is enacted into law.