

HOUSE BILL No. 5958

June 1, 2004, Introduced by Reps. Huizenga, Murphy, Nitz, Richardville, Tobocman, Sak, Vander Veen and Kooiman and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 37g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 37g. (1) For tax years that begin after December 31,
2 2004 and before January 1, 2007, a taxpayer that is a motion
3 picture production company may claim a credit against the tax
4 imposed by this act for the production of motion pictures in this
5 state equal to either of the following:

6 (a) If the total production costs for a motion picture are
7 \$250,000.00 or more but less than \$1,000,000.00, 10% of the
8 payroll for the tax year for residents of this state employed by
9 the taxpayer in connection with the production of that motion
10 picture.

11 (b) If the total production costs for a motion picture are

1 \$1,000,000.00 or more, 25% of the payroll for the tax year for
2 residents of this state employed by the taxpayer in connection
3 with the production of that motion picture.

4 (2) If the credit allowed under this section for the tax
5 year and any unused carryforward of the credit allowed under this
6 section exceed the tax liability of the taxpayer for the tax
7 year, the excess shall not be refunded, but may be carried
8 forward as an offset to the tax liability in subsequent tax years
9 for 5 tax years or until the excess credit is used up, whichever
10 occurs first.

11 (3) As used in this section:

12 (a) "Motion picture" means a nationally distributed feature
13 length film, video, television series, or commercial made in this
14 state in whole or in part for theatrical or television viewing or
15 as a television pilot. Motion picture does not include
16 production of television coverage of news and sporting events.

17 (b) "Motion picture production company" means a company in
18 the business of producing nationally distributed motion
19 pictures. However, motion picture production company does not
20 include a company owned, affiliated, or controlled, in whole or
21 in part, by a company or individual that is in default on a loan
22 made by the state or a loan guaranteed by the state.

23 (c) "Payroll" means the total salaries and wages before
24 deducting any personal or dependency exemptions for employees
25 whose salary is less than \$1,000,000.00 for the tax year.