

HOUSE BILL No. 6558

September 20, 2006, Introduced by Reps. Tobocman, Hunter, Kolb, Alma Smith, Mayes and Vagnozzi 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 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 33. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2006,
2 A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT
3 EQUAL TO 20% OF THE TAXPAYER'S RESEARCH AND DEVELOPMENT EXPENSES IN
4 THIS STATE IN THE TAX YEAR.

5 (2) A PERSON THAT PERFORMS RESEARCH AND DEVELOPMENT IN THIS
6 STATE AND DOES NOT HAVE A TAX LIABILITY UNDER THIS ACT MAY FILE A
7 CLAIM ON OR BEFORE APRIL 15 WITH THE DEPARTMENT FOR AN AMOUNT EQUAL
8 TO 20% OF THAT PERSON'S RESEARCH AND DEVELOPMENT EXPENSES IN THIS
9 STATE IN THE IMMEDIATELY PRECEDING CALENDAR YEAR.

10 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION

1 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
2 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
3 REFUNDED.

4 (4) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCULATED
5 AFTER THE APPLICATION OF ALL NONREFUNDABLE CREDITS ALLOWED UNDER
6 THIS ACT.

7 (5) AS USED IN THIS SECTION, "RESEARCH AND DEVELOPMENT
8 EXPENSES" MEANS THAT TERM AS DEFINED IN SECTION 41(B) OF THE
9 INTERNAL REVENUE CODE.