

SENATE BILL No. 1264

(As amended December 19, 2008)

April 17, 2008, Introduced by Senators RICHARDVILLE and BROWN and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled "Michigan business tax act," by amending section 409 (MCL 208.1409), as amended by 2007 PA 145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 409. (1) For tax years that begin on or after January 1,
2 2008 and end before January 1, 2013, an eligible taxpayer may claim
3 a credit against the tax imposed by this act equal to the amount of
4 capital expenditures [IN THIS STATE] on infield renovation, grandstand
5 and
6 infrastructure upgrades, and any other construction and upgrades,
7 subject to the following:

8 (a) For the 2008 through 2010 tax years, the credit shall not
9 exceed ~~\$1,700,000.00~~ ~~\$2,100,000.00~~ or the taxpayer's tax liability
10 under this act, whichever is less.

11 (b) For the 2011 tax year, the credit shall not exceed
~~\$1,180,000.00~~ ~~\$1,580,000.00~~ or the taxpayer's tax liability under

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1 this act, whichever is less.

2 (c) For the 2012 tax year, the credit shall not exceed
3 ~~\$650,000.00~~ **\$1,050,000.00** or the taxpayer's tax liability under
4 this act, whichever is less.

5 (2) In addition to the credit allowed under subsection (1),
6 for the [2009] tax year an eligible taxpayer may claim a credit
7 against the tax imposed by this act equal to 50% of the amount of
8 necessary expenditures [IN THIS STATE] incurred including any
9 professional fees,
10 additional police officers, and any traffic management devices, to
11 ensure traffic and pedestrian safety while hosting the requisite
12 motorsports events each calendar year. For the [2010] tax year
13 and each tax year after [2010], an eligible taxpayer may claim a
14 credit against the tax imposed by this act equal to all of the
15 necessary expenditures [IN THIS STATE] incurred including any
16 professional fees,
17 additional police officers, and any traffic management devices, to
18 ensure traffic and pedestrian safety while hosting the requisite
19 motorsports events each calendar year. If the amount of the credit
20 allowed under this subsection exceeds the tax liability of the
21 taxpayer for the tax year that excess shall be refunded.

22 (3) An eligible taxpayer shall expend at least ~~\$25,000,000.00~~
23 **\$30,000,000.00** on capital expenditures before January 1, 2011.

24 (4) As used in this section:

25 (a) "Eligible taxpayer" means any of the following:

26 (i) A person who owns and operates a motorsports entertainment
27 complex and has at least 2 days of motorsports events each calendar
year which shall be comparable to NASCAR Nextel cup events held in
2007 or their successor events.

1 (ii) A person who is the lessee and operator of a motorsports
2 entertainment complex or the lessee of the land on which a
3 motorsports entertainment complex is located and operates that
4 motorsports entertainment complex.

5 (iii) A person who operates and maintains a motorsports
6 entertainment complex under an operation and management agreement.

7 (b) "Motorsports entertainment complex" means a closed-course
8 motorsports facility, and its ancillary grounds and facilities,
9 that satisfies all of the following:

10 (i) Has at least 70,000 fixed seats for race patrons.

11 (ii) Has at least 6 scheduled days of motorsports events each
12 calendar year.

13 (iii) Serves food and beverages at the motorsports entertainment
14 complex during motorsports events each calendar year through
15 concession outlets, which are staffed by individuals who represent
16 or are members of 1 or more nonprofit civic or charitable
17 organizations that directly benefit from the concession outlets'
18 sales.

19 (iv) Engages in tourism promotion.

20 (v) Has permanent exhibitions of motorsports history, events,
21 or vehicles within the motorsports entertainment complex.

22 (c) "Motorsports event" means a motorsports race and its
23 ancillary activities that have been sanctioned by a sanctioning
24 body.

25 (d) "Sanctioning body" means the American motorcycle
26 association (AMA); auto racing club of America (ARCA); championship
27 auto racing teams (CART); grand American road racing association

1 (GRAND AM); Indy racing league (IRL); national association for
2 stock car auto racing (NASCAR); national hot rod association
3 (NHRA); professional sports car racing (PSR); sports car club of
4 America (SCCA); United States auto club (USAC); Michigan state
5 promoters association; or any successor organization or any other
6 nationally or internationally recognized governing body of
7 motorsports that establishes an annual schedule of motorsports
8 events and grants rights to conduct the events, that has
9 established and administers rules and regulations governing all
10 participants involved in the events and all persons conducting the
11 events, and that requires certain liability assurances, including
12 insurance.