

SENATE BILL No. 875

November 1, 2007, Introduced by Senator BRATER and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 203 (MCL 208.1203).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 203. (1) Except as otherwise provided in this act, there
2 is levied and imposed a modified gross receipts tax on every
3 taxpayer with nexus as determined under section 200. The modified
4 gross receipts tax is imposed on the modified gross receipts tax
5 base, after allocation or apportionment to this state at a rate of
6 0.80%.

7 (2) The tax levied and imposed under this section is upon the
8 privilege of doing business and not upon income or property.

9 (3) The modified gross receipts tax base means a taxpayer's
10 gross receipts less purchases from other firms before apportionment

1 under this act. The modified gross receipts of a unitary business
2 group is the sum of modified gross receipts of each **ENTITY OR**
3 person, other than a foreign operating entity or a person subject
4 to the tax imposed under chapter 2A or 2B, included in the unitary
5 business group less any modified gross receipts arising from
6 transactions between **ENTITIES OR** persons included in the unitary
7 business group.

8 (4) For the 2008 tax year, deduct 65% of any remaining
9 business loss carryforward calculated under section 23b(h) of
10 former 1975 PA 228 that was actually incurred in the 2006 or 2007
11 tax year to the extent not deducted in tax years beginning before
12 January 1, 2008. A deduction under this subsection shall not
13 include any business loss carryforward that was incurred before
14 January 1, 2006. If the taxpayer is a unitary business group, the
15 business loss carryforward under this subsection may only be
16 deducted against the modified gross receipts tax base of that
17 **ENTITY OR** person included in the unitary business group calculated
18 as if the **ENTITY OR** person was not included in the unitary business
19 group.

20 (5) Nothing in this act shall prohibit a taxpayer who
21 qualifies for the credit under section 445 or a taxpayer who is a
22 dealer of new or used personal watercraft from collecting the tax
23 imposed under this section in addition to the sales price. The
24 amount remitted to the department for the tax under this section
25 shall not be less than the stated and collected amount.

26 Enacting section 1. This amendatory act takes effect January
27 1, 2008 and applies to all business activity occurring after

1 December 31, 2007.

2 Enacting section 2. This amendatory act does not take effect
3 unless all of the following bills of the 94th Legislature are
4 enacted into law:

5 (a) Senate Bill No. 874.

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7 (b) Senate Bill No. 873.

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9 (c) Senate Bill No. 877.

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11 (d) Senate Bill No. 870.

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13 (e) Senate Bill No. 871.

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