

# HOUSE BILL No. 6108

May 4, 2010, Introduced by Reps. Daley, Amash, McMillin, Agema, Paul Scott, Green, Meekhof, Meltzer, Crawford, Rogers, Kowall and Booher and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
by amending sections 409, 410, 410a, and 446 (MCL 208.1409,  
208.1410, 208.1410a, and 208.1446), section 409 as amended by 2008  
PA 572, section 410 as amended by 2008 PA 114, section 410a as  
added by 2008 PA 115, and section 446 as added by 2008 PA 507.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 409. (1) ~~For~~ **SUBJECT TO THE LIMITATION UNDER THIS**  
2       **SUBSECTION, FOR** tax years that begin on or after January 1, 2008  
3       and end before January 1, ~~2013~~ **2011**, an eligible taxpayer may claim  
4       a credit against the tax imposed by this act equal to the amount of  
5       capital expenditures in this state on infield renovation,  
6       grandstand and infrastructure upgrades, and any other construction

1 and upgrades. ~~subject to the following:~~

2 ~~—— (a) For the 2008 through 2010 tax years, the~~ **THE** credit shall  
3 not exceed \$2,100,000.00 or the taxpayer's tax liability under this  
4 act, whichever is less.

5 ~~—— (b) For the 2011 tax year, the credit shall not exceed~~  
6 ~~\$1,580,000.00 or the taxpayer's tax liability under this act,~~  
7 ~~whichever is less.~~

8 ~~—— (c) For the 2012 tax year, the credit shall not exceed~~  
9 ~~\$1,050,000.00 or the taxpayer's tax liability under this act,~~  
10 ~~whichever is less.~~

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

27 (3) An eligible taxpayer shall expend at least \$30,000,000.00

1 on capital expenditures before January 1, 2011.

2 (4) As used in this section:

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

4 (i) A person who owns and operates a motorsports entertainment  
5 complex and has at least 2 days of motorsports events each calendar  
6 year which shall be comparable to NASCAR Nextel cup events held in  
7 2007 or their successor events.

8 (ii) A person who is the lessee and operator of a motorsports  
9 entertainment complex or the lessee of the land on which a  
10 motorsports entertainment complex is located and operates that  
11 motorsports entertainment complex.

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

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

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

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

20 (iii) Serves food and beverages at the motorsports entertainment  
21 complex during motorsports events each calendar year through  
22 concession outlets, which are staffed by individuals who represent  
23 or are members of 1 or more nonprofit civic or charitable  
24 organizations that directly benefit from the concession outlets'  
25 sales.

26 (iv) Engages in tourism promotion.

27 (v) Has permanent exhibitions of motorsports history, events,

1 or vehicles within the motorsports entertainment complex.

2 (c) "Motorsports event" means a motorsports race and its  
3 ancillary activities that have been sanctioned by a sanctioning  
4 body.

5 (d) "Sanctioning body" means the American motorcycle  
6 association (AMA); auto racing club of America (ARCA); championship  
7 auto racing teams (CART); grand American road racing association  
8 (GRAND AM); Indy racing league (IRL); national association for  
9 stock car auto racing (NASCAR); national hot rod association  
10 (NHRA); professional sports car racing (PSR); sports car club of  
11 America (SCCA); United States auto club (USAC); Michigan state  
12 promoters association; or any successor organization or any other  
13 nationally or internationally recognized governing body of  
14 motorsports that establishes an annual schedule of motorsports  
15 events and grants rights to conduct the events, that has  
16 established and administers rules and regulations governing all  
17 participants involved in the events and all persons conducting the  
18 events, and that requires certain liability assurances, including  
19 insurance.

20 Sec. 410. (1) For tax years that begin on or after January 1,  
21 2008 and end before January 1, ~~2013~~ 2011, an eligible taxpayer may  
22 claim a credit against the tax imposed by this act equal to the  
23 ~~following:~~

24 ~~— (a) For the 2008 through 2010 tax years, 65% of the eligible~~  
25 ~~taxpayer's total tax liability imposed under this act not to exceed~~  
26 ~~\$1,700,000.00.~~

27 ~~— (b) For the 2011 tax year, 45% of the eligible taxpayer's~~

~~total tax liability imposed under this act not to exceed~~  
~~\$1,180,000.00.~~

~~—— (c) For the 2012 tax year, 25% of the eligible taxpayer's~~  
~~total tax liability imposed under this act not to exceed~~  
~~\$650,000.00.~~

(2) As used in this section, "eligible taxpayer" means a taxpayer that satisfies each of the following:

(a) Is, collectively or individually, including through affiliated companies, an owner, operator, manager, licensee, lessee, or tenant of more than 1 facility or stadium in this state, including grounds and ancillary facilities, that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment.

(b) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a) has made a capital investment of not less than \$125,000,000.00, collectively or individually, including through affiliated companies, into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

(c) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a) has not received proceeds from a state appropriation or a public bond issue from a local unit of government or public authority to assist in the construction or debt retirement of the facility, excluding a tax abatement, other waiver of a state or local tax or fee, or a state or local tax or fee from a public entity for road or infrastructure assistance.

Sec. 410a. (1) For tax years that begin on or after January 1,

2008 and end before January 1, ~~2013~~**2011**, an eligible taxpayer may claim a credit against the tax imposed by this act equal to ~~the following:~~

~~—— (a) For the 2008 through 2010 tax years, 65% of the eligible taxpayer's total tax liability imposed under this act not to exceed \$1,700,000.00.~~

~~—— (b) For the 2011 tax year, 45% of the eligible taxpayer's total tax liability imposed under this act not to exceed \$1,180,000.00.~~

~~—— (c) For the 2012 tax year, 25% of the eligible taxpayer's total tax liability imposed under this act not to exceed \$650,000.00.~~

(2) As used in this section, "eligible taxpayer" means a taxpayer that is, collectively or individually, including through affiliated companies, an owner, operator, manager, licensee, lessee, or tenant of more than 1 facility or stadium in this state, including grounds and ancillary facilities, that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment, and that has made a capital investment of not less than \$250,000,000.00, collectively or individually, including through affiliated companies, into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

Sec. 446. (1) ~~Beginning in 2009~~**FOR THE 2009 AND 2010 TAX YEARS**, a qualified taxpayer may claim a credit against the tax imposed by this act equal to the following:

(a) In 2009, the qualified taxpayer's tax liability under this

1 act or \$500,000.00, whichever is less.

2 (b) In 2010, ~~and each year thereafter,~~ the qualified  
3 taxpayer's tax liability under this act or \$250,000.00, whichever  
4 is less.

5 (2) As used in this section, "qualified taxpayer" means a  
6 taxpayer that owns, operates, or controls an exhibition in this  
7 state that is open to the public and satisfies all of the  
8 following:

9 (a) Promotes, advertises, or displays the design or concept of  
10 products that are designed, manufactured, or produced, in whole or  
11 in part, in this state and are available for sale to the general  
12 public.

13 (b) The exhibition uses more than 100,000 square feet of floor  
14 space.

15 (c) Is open to the general public for at least 7 consecutive  
16 days in a calendar year.

17 (d) Attendance during the entire exhibition exceeds 500,000.

18 (e) Has more than 3,000 credentialed journalists, including  
19 international journalists, who attend the exhibition.

20 Enacting section 1. This amendatory act does not take effect  
21 unless all of the following bills of the 95th Legislature are  
22 enacted into law:

23 (a) House Bill No. 5249.

24 (b) Senate Bill No. \_\_\_\_ or House Bill No. 6104 (request no.  
25 04275'09).

26 (c) Senate Bill No. \_\_\_\_ or House Bill No. 6103 (request no.  
27 05669'09).

1 (d) Senate Bill No.\_\_\_\_ or House Bill No. 6105(request no.  
2 05670'09).

3 (e) Senate Bill No.\_\_\_\_ or House Bill No. 6106(request no.  
4 05671'09).

5 (f) Senate Bill No.\_\_\_\_ or House Bill No. 6107(request no.  
6 05672'09).

7 (g) Senate Bill No.\_\_\_\_ or House Bill No. 6112(request no.  
8 05673'09).

9 (h) Senate Bill No.\_\_\_\_ or House Bill No. 6113(request no.  
10 05675'09\*).

11 (i) Senate Bill No.\_\_\_\_ or House Bill No. 6109(request no.  
12 05676'09).

13 (j) Senate Bill No.\_\_\_\_ or House Bill No. 6110(request no.  
14 05677'09).

15 (k) Senate Bill No.\_\_\_\_ or House Bill No. 6116(request no.  
16 05678'09).

17 (l) Senate Bill No.\_\_\_\_ or House Bill No. 6114(request no.  
18 05679'09).

19 (m) Senate Bill No.\_\_\_\_ or House Bill No. 6117(request no.  
20 05680'09).

21 (n) Senate Bill No.\_\_\_\_ or House Bill No. 6119(request no.  
22 05930'10).

23 (o) Senate Bill No.\_\_\_\_ or House Bill No. 6111(request no.  
24 05931'10).

25 (p) Senate Bill No.\_\_\_\_ or House Bill No. 6115(request no.  
26 05932'10).

27 (q) Senate Bill No.\_\_\_\_ or House Bill No. 6118(request no.



1 05933'10).