

## BUSINESS TAX REPEAL

### Act 325 of 2006

An initiation of legislation to repeal 1975 PA 228, entitled "Single business tax act," (MCL 208.1 to 208.145); to provide for the collection of taxes due under current law on business activity in this state through December 31, 2007; and to encourage the legislature to adopt a tax that is less burdensome and less costly to employers, and more conducive to job creation and investment.

**History:** 2006, Act 325, Eff. Dec. 31, 2007

**Compiler's Notes:** This act was proposed by initiative petition pursuant to Const 1963, art 2, Â§ 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State. Enacting section 1 of Act 325 of 2006 provides: "Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007."

*The People of the State of Michigan enact:*

#### 208.151 Purpose.

##### 1. Purpose

Sec. 1. The purpose of this initiated law is to:

- (a) Repeal the single business tax on business activity in this state after December 31, 2007; and
- (b) Encourage the legislature to adopt a tax that is less burdensome and less costly to employers, more equitable, and more conducive to job creation and investment.

**History:** 2006, Act 325, Eff. Dec. 31, 2007

**Compiler's Notes:** This section was proposed by initiative petition pursuant to Const 1963, art 2, Â§ 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State. Enacting section 1 of Act 325 of 2006 provides: "Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007."

#### 208.152 Proration.

##### 2. Tax at Zero-Rate After Effective Date

Sec. 2. The department of treasury shall prorate the liability for the tax imposed under the single business tax act as necessary to impose the equivalent of a tax at the rate of zero on business activity after December 31, 2007.

**History:** 2006, Act 325, Eff. Dec. 31, 2007

**Compiler's Notes:** This section was proposed by initiative petition pursuant to Const 1963, art 2, Â§ 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State. Enacting section 1 of Act 325 of 2006 provides: "Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007."

#### 208.153 Affirmation of existing tax liabilities.

##### 3. Affirmation of Existing Tax Liabilities

Sec. 3. Except as specifically provided, this initiated law shall not affect the administration, allocation, or apportionment of the tax; payments to counties; nor any appropriation. The obligation of taxpayers and the state for taxes levied or collected on business activity on or before December 31, 2007 is affirmed.

**History:** 2006, Act 325, Eff. Dec. 31, 2007

**Compiler's Notes:** This section was proposed by initiative petition pursuant to Const 1963, art 2, Â§ 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State. Enacting section 1 of Act 325 of 2006 provides: "Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007."

## **208.154 Severability.**

### **4. Severability**

Sec. 4. This act is declared to be severable.

**History:** 2006, Act 325, Eff. Dec. 31, 2007

**Compiler's Notes:** This section was proposed by initiative petition pursuant to Const 1963, art 2, Â§ 9. On August 9, 2006, the initiative petition was approved by an affirmative vote of the majority of the Senate and the House of Representatives, and filed with the Secretary of State. Enacting section 1 of Act 325 of 2006 provides: "Enacting section 1. The single business tax act, 1975 PA 228, MCL 208.1 to 208.145, is repealed effective for tax years that begin after December 31, 2007."