

**SUBSTITUTE FOR
SENATE BILL NO. 666**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 605 (MCL 206.605), as amended by 2011 PA 179.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 605. (1) "Corporation" means a person that is required or
2 has elected to file as a C corporation as defined under section
3 1361(a)(2) and section 7701(a)(3) of the internal revenue code.
4 Corporation does not include an insurance company or a financial
5 institution.

6 (2) "Department" means the department of treasury.

7 ~~—— (3) "Disregarded entity" means a qualified subchapter S~~
8 ~~subsidiary under section 1361(b)(3) of the internal revenue code or~~
9 ~~a single member limited liability company that has not elected to~~
10 ~~be classified as a corporation under 26 CFR 301.7701.~~

11 (3) ~~(4)~~ "Employee" means an employee as defined in section

1 3401(c) of the internal revenue code. A person from whom an
2 employer is required to withhold for federal income tax purposes is
3 prima facie considered an employee.

4 (4) ~~(5)~~—"Employer" means an employer as defined in section
5 3401(d) of the internal revenue code. A person required to withhold
6 for federal income tax purposes is prima facie considered an
7 employer.

8 Enacting section 1. This amendatory act takes effect January
9 1, 2012.