## SUBSTITUTE FOR HOUSE BILL NO. 4191

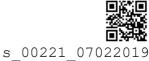
A bill to amend 1967 PA 281, entitled "Income tax act of 1967,"

by amending section 680 (MCL 206.680), as amended by 2012 PA 70.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 680. (1) Notwithstanding any other provision of this
- 2 part, except as otherwise provided in subsection (2) for a
- 3 certificated credit under section 435 or 437 of the Michigan
- 4 business tax act, 2007 PA 36, MCL 208.1435 and 208.1437, or in
- 5 subsection (5) for a certificated credit under section 431 of the
- 6 Michigan business tax act, 2007 PA 36, MCL 208.1431, a taxpayer
- 7 that has been approved to receive, has received, or has been
- 8 assigned a certificated credit that has not been fully claimed or
- 9 paid prior to January 1, 2012 may, for the taxpayer's first tax





- 1 year ending after December 31, 2011 only, elect to file a return
- 2 and pay the tax imposed by the Michigan business tax act, 2007 PA
- **3** 36, MCL 208.1101 to 208.1601, in lieu of the tax imposed by this
- 4 part. An election under this subsection shall continue for the
- 5 period prescribed in section 500(1) of the Michigan business tax
- 6 act, 2007 PA 36, MCL 208.1500.
- 7 (2) A taxpayer with a certificated credit under section 435 or
- 8 437 of the Michigan business tax act, 2007 PA 36, MCL 208.1435 and
- 9 208.1437, which certificated credit may be claimed in a tax year
- 10 ending after December 31, 2011 may elect to pay the tax imposed by
- 11 the Michigan business tax act, 2007 PA 36, MCL 208.1101 to
- 12 208.1601, in the tax year in which that certificated credit or any
- 13 unused carryforward may be claimed in lieu of the tax imposed by
- 14 this part.
- 15 (3) A taxpayer that is a member of a unitary business group
- 16 and that has a certificated credit under sections 431 and 434(2)
- 17 and (5) of the Michigan business tax act, 2007 PA 36, MCL 208.1431
- 18 and 208.1434, is not required to file a combined return as a
- 19 unitary business group and may elect to file a separate return and
- 20 pay the tax, if any, under the Michigan business tax act, 2007 PA
- 21 36, MCL 208.1101 to 208.1601.
- 22 (4) A taxpayer that elects to pay the tax imposed by the
- 23 Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601,
- 24 under this section is not required to file an annual return under
- 25 this part.
- (5) A taxpayer that acquired, through merger or acquisition,
- 27 on October 1, 2018 a certificated credit authorized by the Michigan
- 28 economic growth authority in 2004 under section 431 of the Michigan
- 29 business tax act, 2007 PA 36, MCL 208.1431, and previously received

- 1 by another person whose existence was terminated by that merger or
- 2 acquisition, but that certificated credit had not been fully
- 3 claimed prior to October 1, 2018 by the person whose existence was
- 4 terminated by that merger or acquisition, then that acquiring
- 5 taxpayer may, for the first tax year ending after October 1, 2018
- 6 only, elect to file the return and pay the tax imposed by the
- 7 Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, in
- 8 lieu of the tax imposed by this part if the Michigan economic
- 9 growth authority or its successor determines that the transfer of
- 10 the credit from the person whose existence was terminated by that
- 11 merger or acquisition reduces the total amount of the credit.
- 12 However, if the first tax year ending after October 1, 2018 ends
- 13 before the effective date of the amendatory act that added this
- 14 subsection and the taxpayer has already filed a return for that tax
- 15 year under this part, then the taxpayer may, if within the statute
- 16 of limitations period prescribed under section 27a of 1941 PA 122,
- 17 MCL 205.27a, elect under this subsection to file the return and pay
- 18 the tax imposed by the Michigan business tax act, 2007 PA 36, MCL
- 19 208.1101 to 208.1601, for that tax year by filing the necessary
- 20 amended return under this part and filing an original return as
- 21 provided under section 505 of the Michigan business tax act, 2007
- 22 PA 36, MCL 208.1505. An election under this subsection shall
- 23 continue for the period prescribed in section 500 of the Michigan
- 24 business tax act, 2007 PA 36, MCL 208.1500.
- 25 (6) (5) As used in this section, "certificated credit" means
- 26 that term as defined in section 107 of the Michigan business tax
- 27 act, 2007 PA 36, MCL 208.1107.
- 28 Enacting section 1. This amendatory act is retroactive and
- 29 effective for tax years beginning after December 31, 2017.



- 4 (a) House Bill No. 4189.
- 5 (b) House Bill No. 4190.

