

HOUSE BILL No. 4247

February 12, 1991, Introduced by Reps. Dalman, McBryde, Robertson, Dresch, Dolan, McNutt, Brackenridge, Hoekman, Jaye and Bodem and referred to the Committee on Taxation.

A bill to amend section 4 of Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended by Act No. 484 of the Public Acts of 1982, being section 208.4 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4 of Act No. 228 of the Public Acts of
2 1975, as amended by Act No. 484 of the Public Acts of 1982, being
3 section 208.4 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 4. (1) "Casual transaction" means a transaction made
6 or engaged in other than in the ordinary course of repeated and
7 successive transactions of a ~~like~~ SIMILAR character, except
8 that a transaction made or engaged in by a person ~~which~~ THAT is
9 incidental to that person's regular business activity shall be

1 considered to be a business activity within the meaning of this
2 act.

3 (2) "Commissioner" means the state commissioner of revenue.

4 (3) "Compensation" means all wages, salaries, fees, bonuses,
5 commissions, or other payments made in the taxable year on behalf
6 of or for the benefit of ~~employees, officers, or directors~~ AN
7 EMPLOYEE, OFFICER, OR DIRECTOR of the ~~taxpayers~~ TAXPAYER and
8 subject to or specifically exempt from withholding under section
9 3401 of the internal revenue code. Compensation includes, on a
10 cash or accrual basis consistent with the taxpayer's method of
11 accounting for federal income tax purposes, ~~payments~~ A PAYMENT
12 to state and federal unemployment compensation funds, ~~payments~~
13 A PAYMENT under the federal insurance contribution act ~~and~~ OR A
14 similar social insurance ~~programs, payments,~~ PROGRAM, A
15 PAYMENT, including self-insurance, for ~~workmen's~~ WORKER'S com-
16 pensation insurance, ~~payments to individuals~~ A PAYMENT TO AN
17 INDIVIDUAL not currently working, ~~payments to dependents and~~
18 ~~heirs of individuals~~ A PAYMENT TO A DEPENDENT OR HEIR OF AN
19 INDIVIDUAL because of current or former labor services rendered
20 by ~~those individuals, payments~~ THAT INDIVIDUAL, A PAYMENT to a
21 pension, retirement, or profit sharing plan, ~~and payments~~ OR A
22 PAYMENT for insurance for which employees are the beneficiaries,
23 including ~~payments~~ A PAYMENT under A health and welfare and
24 noninsured benefit ~~plans and payments~~ PLAN OR A PAYMENT of fees
25 for the administration of A health and welfare ~~and~~ OR nonin-
26 sured benefit ~~plans~~ PLAN. Compensation does not include
27 ~~discounts~~ A PAYMENT TO A MEMBER OF THE ARMED FORCES RESERVES OF

1 THE UNITED STATES CALLED INTO ACTIVE DUTY AFTER AUGUST 2, 1990
2 MADE TO OFFSET A REDUCTION IN INCOME DUE TO A DIFFERENCE BETWEEN
3 A RESERVIST'S CIVILIAN INCOME BEFORE BEING CALLED INTO ACTIVE
4 DUTY AND HIS OR HER MILITARY COMPENSATION, A DISCOUNT on the
5 price of the taxpayer's merchandise or services sold to the
6 taxpayer's employees, officers, or directors ~~which~~ THAT are not
7 available to other customers, or ~~payments~~ A PAYMENT to an inde-
8 pendent contractor.

9 (4) "Department" means the revenue division of the depart-
10 ment of treasury.