

HOUSE BILL No. 4967

June 17, 1991, Introduced by Reps. Nye, Oxender, Keith, Emerson, Hoekman, Fitzgerald, Bartnik, Griffin, London, Martin, Jondahl, Bender, Dalman, Munsell, DeLange, Scott, Walberg, Middleton, Van Singel, Hoffman, Profit, Gilmer, Dolan, Harder and Perry Bullard and referred to the Committee on Taxation.

A bill to amend section 31 of Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended by Act No. 262 of the Public Acts of 1987, being section 208.31 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 31 of Act No. 228 of the Public Acts of
2 1975, as amended by Act No. 262 of the Public Acts of 1987, being
3 section 208.31 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 31. (1) There is ~~hereby~~ levied and imposed a spe-
6 cific tax of ~~2.35%~~ 6.1% upon the adjusted tax base of every
7 person with business activity in this state ~~which~~ THAT is
8 allocated or apportioned to this state.

1 (2) As used in this section, "adjusted tax base" means the
2 tax base allocated or apportioned to this state pursuant to
3 chapter 3 ~~and~~ WITH the adjustments ~~permitted~~ PRESCRIBED by
4 section 23 and the exemptions permitted by ~~sections 35 and 37~~
5 SECTION 35. If the adjusted tax base exceeds 50% of the sum of
6 gross receipts plus the adjustments provided in section 23(b) and
7 (d), apportioned or allocated to Michigan with the apportionment
8 fraction calculated pursuant to chapter 3, the adjusted tax base
9 may, at the option of the taxpayer, be reduced by ~~such~~ THAT
10 excess. ~~The~~ IF A TAXPAYER REDUCES ADJUSTED TAX BASE UNDER THIS
11 SUBSECTION, THE taxpayer ~~shall not be~~ IS NOT entitled to the
12 adjustment provided in subsection (4) for the same taxable year.
13 This subsection does not apply to an adjusted tax base under sec-
14 tion 22a.

15 (3) The tax ~~so~~ levied and imposed UNDER THIS SECTION is
16 upon the privilege of doing business and not upon income.

17 (4) In lieu of the ~~adjustment~~ REDUCTION provided in sub-
18 section (2) a person may elect to reduce the adjusted tax base by
19 the percentage that the compensation divided by the tax base
20 exceeds 63%. The deduction shall not exceed 37% of the adjusted
21 tax base. For ~~the 1976 tax year and each tax year thereafter,~~
22 ~~for~~ purposes of computing the ~~deduction~~ REDUCTION allowed by
23 this subsection, as effective for the respective tax year, com-
24 pensation ~~shall~~ DOES not include amounts of compensation exempt
25 from tax under section 35(1)(e). ~~or (f).~~ This subsection does
26 not apply to an adjusted tax base under section 22a.

1 Section 2. This amendatory act shall not take effect unless
2 all of the following bills of the 86th Legislature are enacted
3 into law:

4 (a) Senate Bill No. _____ or House Bill No. 4966 (request
5 no. 01148'91 *).

6 (b) Senate Bill No. _____ or House Bill No. 4970 (request
7 no. 01149'91 *).

8 (c) Senate Bill No. _____ or House Bill No. 4964 (request
9 no. 01150'91).

10 Section 3. This amendatory act shall not take effect unless
11 Senate Joint Resolution _____ or House Joint Resolution _____
12 (request no. 01151'91) of the 86th Legislature becomes a part of
13 the state constitution of 1963 as provided in section 1 of arti-
14 cle XII of the state constitution of 1963.