

HOUSE BILL No. 5351

December 3, 1991, Introduced by Reps. Oxender, Jonker, Scott, Gnodtke, Bryant, Strand, Bobier, Brackenridge, McNutt, Middleton, Munsell and DeLange 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 character, except that a
8 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 of the
7 taxpayers and subject to or specifically exempt from withholding
8 under ~~section~~ CHAPTER 24, SECTIONS 3401 TO 3406 of the internal
9 revenue code. Compensation includes, on a cash or accrual basis
10 consistent with the taxpayer's method of accounting for federal
11 income tax purposes, payments to state and federal unemployment
12 compensation funds, payments under the federal insurance contri-
13 bution act and similar social insurance programs, payments,
14 including self-insurance, for ~~workmen's~~ WORKER'S DISABILITY
15 compensation insurance, payments to individuals not currently
16 working, payments to dependents and heirs of individuals because
17 of current or former labor services rendered by those individu-
18 als, payments to a pension, retirement, or profit sharing plan,
19 and payments for insurance for which employees are the beneficia-
20 ries, including payments under health and welfare and noninsured
21 benefit plans and payments of fees for the administration of
22 health and welfare and noninsured benefit plans. Compensation
23 does not include discounts on the price of the taxpayer's mer-
24 chandise or services sold to the taxpayer's employees, officers,
25 or directors ~~which~~ THAT are not available to other customers or
26 payments to an independent contractor. IN DETERMINING
27 COMPENSATION PAID AFTER DECEMBER 31, 1990, COMPENSATION DOES NOT

1 INCLUDE WAGES, SALARIES, FEES, BONUSES, COMMISSIONS, OR OTHER
2 PAYMENTS MADE IN THE TAXABLE YEAR ON BEHALF OF OR FOR THE BENEFIT
3 OF AN EMPLOYEE HIRED AFTER DECEMBER 31, 1990 WHO WAS A RECIPIENT
4 OF BENEFITS UNDER THE MICHIGAN EMPLOYMENT SECURITY ACT, ACT NO. 1
5 OF THE PUBLIC ACTS OF THE EXTRA SESSION OF 1936, BEING SECTIONS
6 421.1 TO 421.73 OF THE MICHIGAN COMPILED LAWS, AT THE TIME OF
7 HIRE, WHICH PAYMENTS ARE MADE FOR EACH WEEK DURING THE FIRST 12
8 MONTHS OF EMPLOYMENT IN WHICH THE EMPLOYEE WORKS AT LEAST
9 30 HOURS, AND WHICH ARE SUBJECT TO OR SPECIFICALLY EXEMPT FROM
10 WITHHOLDING UNDER CHAPTER 24, SECTIONS 3401 TO 3406 OF THE INTER-
11 NAL REVENUE CODE.

12 (4) "Department" means the revenue division of the depart-
13 ment of treasury.

14 Section 2. This amendatory act shall not take effect unless
15 Senate Bill No. _____ or House Bill No. 5350 (request
16 no. 01248'91) of the 86th Legislature is enacted into law.