

SENATE BILL No. 699

January 29, 1992, Introduced by Senators CARL, DINGELL,
HART, PRIDNIA and DI NELLO and referred to the
Committee on Finance.

A bill to amend Act No. 281 of the Public Acts of 1967,
entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan
Compiled Laws, by adding section 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 281 of the Public Acts of 1967, as
2 amended, being sections 206.1 to 206.532 of the Michigan Compiled
3 Laws, is amended by adding section 265 to read as follows:

4 SEC. 265. (1) FOR A TAX YEAR BEGINNING AFTER DECEMBER 31,
5 1991, A TAXPAYER MAY CREDIT AN AMOUNT EQUAL TO 50% OF THE INTER-
6 EST PAID IN THE TAX YEAR ON A LOAN FOR THE PURCHASE OF A QUALI-
7 FIED AUTOMOBILE AGAINST THE TAX IMPOSED BY THIS ACT FOR THAT TAX
8 YEAR.

1 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
2 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
3 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

4 (3) AS USED IN THIS SECTION:

5 (A) "PRINCIPAL OPERATIONS" MEANS A MAJORITY OF THE FIXED
6 ASSETS OF THE COMPANY. IF A COMPANY IS A WHOLLY OWNED SUBSIDIARY
7 OF ANOTHER COMPANY, THE PRINCIPAL OPERATIONS OF THE PARENT COM-
8 PANY ARE USED TO DETERMINE THE PRINCIPAL OPERATIONS OF THE
9 SUBSIDIARY.

10 (B) "QUALIFIED AUTOMOBILE" MEANS AN AUTOMOBILE THAT WAS MAN-
11 UFACTURED BY A COMPANY THE PRINCIPAL OPERATIONS OF WHICH ARE IN
12 THE UNITED STATES.