



HOUSE BILL No. 4190

February 9, 1993, Introduced by Reps. Oxender, Jamian, Walberg, Middaugh, Dolan, Baade, Johnson, Voorhees, Stille and Martin and referred to the Committee on Labor.

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 compensation
15 insurance, payments to individuals not currently working, pay-
16 ments to dependents and heirs of individuals because of current
17 or former labor services rendered by those individuals, payments
18 to a pension, retirement, or profit sharing plan, and payments
19 for insurance for which employees are the beneficiaries, includ-
20 ing payments under health and welfare and noninsured benefit
21 plans and payments of fees for the administration of health and
22 welfare and noninsured benefit plans. Compensation does not
23 include discounts on the price of the taxpayer's merchandise or
24 services sold to the taxpayer's employees, officers, or directors
25 ~~which~~ THAT are not available to other customers or payments to
26 an independent contractor. IN DETERMINING COMPENSATION PAID
27 AFTER DECEMBER 31, 1992, COMPENSATION DOES NOT INCLUDE WAGES,

1 SALARIES, FEES, BONUSES, COMMISSIONS, OR OTHER PAYMENTS MADE IN
2 THE TAXABLE YEAR ON BEHALF OF OR FOR THE BENEFIT OF AN EMPLOYEE
3 HIRED AFTER DECEMBER 31, 1992 WHO WAS A RECIPIENT OF BENEFITS
4 UNDER THE MICHIGAN EMPLOYMENT SECURITY ACT, ACT NO. 1 OF THE
5 PUBLIC ACTS OF THE EXTRA SESSION OF 1936, BEING SECTIONS 421.1 TO
6 421.73 OF THE MICHIGAN COMPILED LAWS, AT THE TIME OF HIRE, WHICH
7 PAYMENTS ARE MADE FOR EACH WEEK DURING THE FIRST 12 MONTHS OF
8 EMPLOYMENT IN WHICH THE EMPLOYEE WORKS AT LEAST 30 HOURS, AND
9 WHICH ARE SUBJECT TO OR SPECIFICALLY EXEMPT FROM WITHHOLDING
10 UNDER CHAPTER 24, SECTIONS 3401 TO 3406 OF THE INTERNAL REVENUE
11 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. 4189 (request
16 no. 01418'93) of the 87th Legislature is enacted into law.