



HOUSE BILL No. 5496

April 26 1994 Introduced by Reps Profit Bullard Palamara Shugars Brackenridge and Porreca and referred to the Committee on Taxation

A bill to amend section 45 of Act No 228 of the Public Acts of 1975, entitled

'Single business tax act,'

as amended by Act No 77 of the Public Acts of 1991, being section 208 45 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 45 of Act No 228 of the Public Acts of
2 1975, as amended by Act No 77 of the Public Acts of 1991, being
3 section 208 45 of the Michigan Compiled Laws, is amended to read
4 as follows

5 Sec 45 (1) ~~Except as provided in subsection (2)~~ FOR TAX
6 YEARS BEGINNING BEFORE JANUARY 1, 1991, all of the tax base,
7 other than the tax base derived principally from transportation,
8 financial, or insurance carrier services or specifically
9 allocated, shall be apportioned to this state by multiplying the

1 tax base by a fraction, the numerator of which is the property
2 factor plus the payroll factor plus the sales factor, and the
3 denominator of which is 3

4 (2) For tax years beginning after December 31, 1990 and
5 before January 1, 1993, all of the tax base, other than the tax
6 base derived principally from transportation, financial, or
7 insurance carrier services or specifically allocated, shall be
8 apportioned to this state by multiplying the tax base by a per-
9 centage, which is the sum of all of the following percentages

10 (a) The property factor multiplied by 30%

11 (b) The payroll factor multiplied by 30%

12 (c) The sales factor multiplied by 40%

13 (3) Subsection (2) does not apply for a tax year in which a
14 deduction is not allowed under section 23(c)

15 (4) For tax years beginning after December 31, 1992 AND
16 BEFORE JANUARY 1, 1994, all of the tax base, other than the tax
17 base derived principally from transportation, financial, or
18 insurance carrier services or specifically allocated, shall be
19 apportioned to this state by multiplying the tax base by a per-
20 centage, which is the sum of all of the following percentages

21 (a) The property factor multiplied by 25%

22 (b) The payroll factor multiplied by 25%

23 (c) The sales factor multiplied by 50%

24 (5) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1993, ALL OF
25 THE TAX BASE, OTHER THAN THE TAX BASE DERIVED PRINCIPALLY FROM
26 TRANSPORTATION, FINANCIAL, OR INSURANCE CARRIER SERVICES OR
27 SPECIFICALLY ALLOCATED, SHALL BE APPORTIONED TO THIS STATE BY

1 MULTIPLYING THE TAX BASE BY A PERCENTAGE, WHICH IS THE SUM OF ALL
2 OF THE FOLLOWING PERCENTAGES

3 (A) THE PROPERTY FACTOR MULTIPLIED BY 15%

4 (B) THE PAYROLL FACTOR MULTIPLIED BY 15%

5 (C) THE SALES FACTOR MULTIPLIED BY 70%