



# SENATE BILL No. 1185

Introduced by Senator CISKY and referred to the Committee  
on Local Government and Urban Development

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

"Single business tax act,"

as amended, being sections 208 1 to 208 145 of the Michigan  
Compiled Laws, by adding section 39b

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 228 of the Public Acts of 1975, as  
2 amended, being sections 208 1 to 208 145 of the Michigan Compiled  
3 Laws, is amended by adding section 39b to read as follows  
4 SEC 39B (1) FOR TAX YEARS BEGINNING AFTER DECEMBER 31,  
5 1993, A QUALIFIED BUSINESS MAY CLAIM A CREDIT SUBJECT TO  
6 SUBSECTIONS (2), (3), (4), AND (7) FOR A PERCENTAGE OF THE WAGES  
7 PAID IN THE TAX YEAR TO QUALIFIED EMPLOYEES HIRED BY THE  
8 QUALIFIED BUSINESS DURING THE PERIOD OF TIME IN WHICH THE

1 BUSINESS IS LOCATED IN AN ENTERPRISE ZONE AND CERTIFIED AS A  
2 QUALIFIED BUSINESS

3 (2) FOR A TAXPAYER THAT IS A QUALIFIED NEW BUSINESS, THE  
4 CREDIT ALLOWED UNDER THIS SECTION IS THE FOLLOWING PERCENTAGE OF  
5 THE FIRST \$15,000 00 OF WAGES PAID TO EACH QUALIFIED EMPLOYEE

6 (A) TWENTY PERCENT FOR EACH QUALIFIED EMPLOYEE WHO IS A RES-  
7 IDENT OF THE LOCAL GOVERNMENTAL UNIT IN WHICH THE ENTERPRISE ZONE  
8 IS LOCATED

9 (B) TEN PERCENT FOR ALL OTHER QUALIFIED EMPLOYEES

10 (3) FOR A TAXPAYER THAT IS A QUALIFIED BUSINESS LOCATED IN  
11 THE AREA COMPRISING AN ENTERPRISE ZONE ON THE DATE THE AUTHORITY  
12 APPROVES THAT ENTERPRISE ZONE, THE CREDIT ALLOWED BY THIS SECTION  
13 IS THE FOLLOWING PERCENTAGE OF THE FIRST \$15,000 00 OF WAGES PAID  
14 TO EACH QUALIFIED EMPLOYEE IN EXCESS OF THE NUMBER OF FULL-TIME  
15 EQUIVALENT EMPLOYEES OF THE TAXPAYER ON THE THIRTIETH DAY IMMEDI-  
16 ATELY PRECEDING THE DAY THE ENTERPRISE ZONE WAS ESTABLISHED

17 (A) TWENTY PERCENT FOR EACH QUALIFIED EMPLOYEE WHO IS A RES-  
18 IDENT OF THE LOCAL GOVERNMENTAL UNIT IN WHICH THE ENTERPRISE ZONE  
19 IS LOCATED

20 (B) TEN PERCENT FOR ALL OTHER QUALIFIED EMPLOYEES

21 (4) FOR A TAXPAYER THAT IS A QUALIFIED BUSINESS, THE CREDIT  
22 ALLOWED UNDER THIS SECTION SHALL BE BASED ON WAGES PAID TO QUALI-  
23 FIED EMPLOYEES IN THE TAX YEAR IN WHICH THOSE EMPLOYEES COMPLETE  
24 THE 6-MONTH EMPLOYMENT REQUIREMENT DESCRIBED IN SUBSECTION (7) (B)  
25 AND THE TAXPAYER MAY CLAIM A CREDIT FOR WAGES PAID TO THOSE  
26 EMPLOYEES FOR THE SUBSEQUENT 4 TAX YEARS OR UNTIL THE  
27 CERTIFICATION OF THE QUALIFIED BUSINESS PURSUANT TO THE

1 ENTERPRISE ZONE ACT, ACT NO 224 OF THE PUBLIC ACTS OF 1985,  
2 BEING SECTIONS 125 2101 TO 125 2122 OF THE MICHIGAN COMPILED  
3 LAWS, EXPIRES OR IS REVOKED, WHICHEVER OCCURS FIRST

4 (5) A QUALIFIED BUSINESS MAY NOT CLAIM A CREDIT FOR WAGES  
5 PAID TO A QUALIFIED EMPLOYEE IF THE QUALIFIED BUSINESS DISCHARGES  
6 ANY EMPLOYEE AND REPLACES THAT EMPLOYEE WITH A QUALIFIED EMPLOYEE  
7 SOLELY TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS SECTION

8 (6) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX  
9 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS  
10 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,  
11 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
12 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
13 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,  
14 WHICHEVER OCCURS FIRST

15 (7) A QUALIFIED BUSINESS LOCATED IN AN ENTERPRISE ZONE CRE-  
16 ATED AFTER 1993 THAT IS ELIGIBLE TO CLAIM THE CREDIT UNDER THIS  
17 SECTION SHALL NOT TAKE THE CREDIT ALLOWED BY SECTION 37A

18 (8) AS USED IN THIS SECTION

19 (A) "ENTERPRISE ZONE", "LOCAL GOVERNMENTAL UNIT", "QUALIFIED  
20 BUSINESS", AND "QUALIFIED NEW BUSINESS" MEAN THOSE TERMS AS  
21 DEFINED IN SECTION 3 OF ACT NO 224 OF THE PUBLIC ACTS OF 1985,  
22 BEING SECTION 125 2103 OF THE MICHIGAN COMPILED LAWS

23 (B) "QUALIFIED EMPLOYEE" MEANS A PERSON WHO IS EMPLOYED IN  
24 AN ENTERPRISE ZONE ESTABLISHED AFTER 1991 BY A QUALIFIED BUSINESS  
25 LOCATED IN THAT ENTERPRISE ZONE AND IS SO EMPLOYED FOR AT LEAST 6  
26 CONSECUTIVE MONTHS AFTER THE DATE OF HIRE AND FOR AT LEAST 780  
27 HOURS DURING THAT 6-MONTH PERIOD

1           (C) "RESIDENT" MEANS AN INDIVIDUAL WHO HAS HIS OR HER TRUE,  
2 FIXED, AND PERMANENT HOME AND PRINCIPAL ESTABLISHMENT TO WHICH  
3 THE INDIVIDUAL INTENDS TO RETURN WHENEVER ABSENT IN THE LOCAL  
4 GOVERNMENTAL UNIT IN WHICH THE ENTERPRISE ZONE IS LOCATED    AN  
5 INDIVIDUAL IS A RESIDENT UNTIL THE INDIVIDUAL ESTABLISHES A PER-  
6 MANENT HOME OR PRINCIPAL ESTABLISHMENT OUTSIDE THAT LOCAL GOVERN-  
7 MENTAL UNIT