

Act No. 135  
Public Acts of 1995  
Approved by the Governor  
July 9, 1995  
Filed with the Secretary of State  
July 10, 1995

**STATE OF MICHIGAN  
88TH LEGISLATURE  
REGULAR SESSION OF 1995**

Introduced by Senator Gast

# **ENROLLED SENATE BILL No. 498**

AN ACT to amend sections 38b and 136 of Act No. 228 of the Public Acts of 1975, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," section 38b as added by Act No. 45 of the Public Acts of 1984 and section 136 as amended by Act No. 300 of the Public Acts of 1994, being sections 208.38b and 208.136 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Sections 38b and 136 of Act No. 228 of the Public Acts of 1975, section 38b as added by Act No. 45 of the Public Acts of 1984 and section 136 as amended by Act No. 300 of the Public Acts of 1994, being sections 208.38b and 208.136 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 38b. (1) For amounts paid after March 31, 1984, pursuant to section 352 of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.352 of the Michigan Compiled Laws, a taxpayer that is an employer or carrier subject to Act No. 317 of the Public Acts of 1969, being sections 418.101 to 418.941 of the Michigan Compiled Laws, shall claim a credit against the tax imposed by this act for the taxable year in an amount equal to the amount paid during that tax year by the taxpayer pursuant to section 352 of Act No. 317 of the Public Acts of 1969, as certified by the director of the bureau of worker's disability compensation pursuant to section 391(6) of Act No. 317 of the Public Acts of 1969, being section 418.391 of the Michigan Compiled Laws.

(2) A taxpayer claiming a credit under this section shall claim a portion of the credit allowed by this section equal to the payments made during a calendar quarter pursuant to section 352 of Act No. 317 of the Public Acts of 1969, against the estimated tax payments made under section 71. Any credit in excess of an estimated payment shall be refunded to the taxpayer on a quarterly basis within 60 calendar days after receipt of a properly completed estimated tax return. Any subsequent increase or decrease in the amount claimed for payments made by the insurer or self-insurer shall be reflected in the amount of the credit taken for the calendar quarter in which the amount of the adjustment is finalized.

(3) The credit under this section is in addition to any other credits the taxpayer is eligible for under this act.

(4) Any amount of the credit under this section which is in excess of the tax liability of the taxpayer for the tax year shall be refunded, without interest, by the department to the taxpayer within 60 calendar days of receipt of a properly completed annual return required by this act.

Sec. 136. (1) The department of treasury shall distribute to cities, villages, and townships 13.91% of the gross collections before refunds of the single business tax from the most recently completed July 1 through June 30 period as certified by the department of treasury. For the 1995-96 state fiscal year, the amount determined under this subsection shall be reduced by \$16,000,000.00 before the distribution under this subsection is made.

(2) The department of treasury shall distribute the revenue under subsection (1) to all cities, villages, and townships through the tax effort formula as defined in the state revenue sharing act of 1971, Act No. 140 of the Public Acts of 1971, being sections 141.901 to 141.921 of the Michigan Compiled Laws.

(3) Of the amount distributed under this section, 1/4 shall be paid in October, 1/4 in February, and 1/2 in June.

(4) A city, village, or township is not eligible for a payment under this section unless that local unit of government requires sealed competitive bidding for any contract of \$20,000.00 or more except a contract for professional services or emergency repairs or services exempted pursuant to a written policy adopted or approved by the governing body of the local unit of government. This subsection does not apply to transactions between governmental units.

Section 2. This amendatory act shall take effect July 1, 1995.

Section 3. This amendatory act shall not take effect unless Senate Bill No. 497 of the 88th Legislature is enacted into law.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved -----

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Governor.