



# HOUSE BILL No. 4548

March 8, 1995, Introduced by Reps. Oxender, Hammerstrom, Weeks, Goschka, DeLange, Bodem, Pitoniak, Johnson, McBryde, Byl, Hill, Gernaat and Voorhees and referred to the Committee on Human Resources and 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, EXCEPT AS OTHERWISE PROVIDED IN  
5 THIS SUBSECTION, all wages, salaries, fees, bonuses, commissions,  
6 or other payments made in the taxable year on behalf of or for  
7 the benefit of employees, officers, or directors of the taxpayers  
8 and subject to or specifically exempt from withholding under  
9 ~~section~~ CHAPTER 24, SECTIONS 3401 TO 3406 of the internal reve-  
10 nue code. Compensation includes, on a cash or accrual basis con-  
11 sistent with the taxpayer's method of accounting for federal  
12 income tax purposes, payments to state and federal unemployment  
13 compensation funds, payments under the federal insurance contri-  
14 bution act and similar social insurance programs, payments,  
15 including self-insurance, for ~~workmen's~~ WORKER'S compensation  
16 insurance, payments to individuals not currently working, pay-  
17 ments to dependents and heirs of individuals because of current  
18 or former labor services rendered by those individuals, payments  
19 to a pension, retirement, or profit sharing plan, and payments  
20 for insurance for which employees are the beneficiaries, includ-  
21 ing payments under health and welfare and noninsured benefit  
22 plans and payments of fees for the administration of health and  
23 welfare and noninsured benefit plans. Compensation does not  
24 include discounts on the price of the taxpayer's merchandise or  
25 services sold to the taxpayer's employees, officers, or directors  
26 ~~which~~ THAT are not available to other customers or payments to  
27 an independent contractor. FOR TAX YEARS BEGINNING AFTER

1 DECEMBER 31, 1994, COMPENSATION DOES NOT INCLUDE WAGES, SALARIES,  
2 FEES, BONUSES, COMMISSIONS, OR OTHER PAYMENTS MADE IN THE TAX  
3 YEAR ON BEHALF OF OR FOR THE BENEFIT OF AN EMPLOYEE HIRED AFTER  
4 DECEMBER 31, 1994 WHO WAS A RECIPIENT OF BENEFITS UNDER THE  
5 MICHIGAN EMPLOYMENT SECURITY ACT, ACT NO. 1 OF THE PUBLIC ACTS OF  
6 THE EXTRA SESSION OF 1936, BEING SECTIONS 421.1 TO 421.75 OF THE  
7 MICHIGAN COMPILED LAWS, AT THE TIME OF HIRE, WHICH PAYMENTS ARE  
8 MADE FOR EACH WEEK DURING THE FIRST 12 MONTHS OF EMPLOYMENT IN  
9 WHICH THE EMPLOYEE WORKS AT LEAST 30 HOURS, AND WHICH ARE SUBJECT  
0 TO OR SPECIFICALLY EXEMPT FROM WITHHOLDING UNDER CHAPTER 24,  
1 SECTIONS 3401 TO 3406 OF THE INTERNAL REVENUE CODE.

2 (4) "Department" means the revenue division of the depart-  
3 ment of treasury.

4 Section 2. This amendatory act shall not take effect unless  
5 Senate Bill No. \_\_\_\_\_ or House Bill No. 4547 (request  
6 no. 01990'95) of the 88th Legislature is enacted into law.