



HOUSE BILL No. 5674

March 12, 1996, Introduced by Reps. Freeman, Alley, Sikkema, Middaugh, DeHart, Bobier, Wetters, Bodem, Hill, Byl and Yokich and referred to the Committee on Conservation, Environment and Great Lakes.

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 38d.

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 38d to read as follows:

4 SEC. 38D. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
5 1996, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
6 IMPOSED BY THIS ACT EQUAL TO THE LESSER OF THE FOLLOWING:

7 (A) TEN PERCENT OF THE COST OF ELIGIBLE INVESTMENT PAID OR
8 ACCRUED BY THE QUALIFIED TAXPAYER IN THE TAX YEAR.

1 (B) FIFTY PERCENT OF THE TAXPAYER'S TAX LIABILITY
2 ATTRIBUTABLE TO BUSINESS ACTIVITY CONDUCTED ON ELIGIBLE
3 PROPERTY.

4 (C) ONE MILLION DOLLARS.

5 (2) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
6 FOR MORE THAN 9 CONSECUTIVE YEARS AFTER THE FIRST YEAR IN WHICH
7 THE TAXPAYER CLAIMED A CREDIT UNDER THIS SECTION.

8 (3) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCU-
9 LATED AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS
10 ACT.

11 (4) THE AMOUNT OF ELIGIBLE INVESTMENT AVAILABLE BUT NOT USED
12 TO CALCULATE A CREDIT UNDER THIS SECTION FOR A TAX YEAR MAY BE
13 CARRIED FORWARD AND USED TO CALCULATE A CREDIT IN SUBSEQUENT
14 YEARS.

15 (5) A CREDIT SHALL NOT BE ALLOWED UNDER THIS SECTION FOR TAX
16 YEARS BEGINNING AFTER DECEMBER 31 OF THE YEAR IN WHICH THE AGGRE-
17 GATE AMOUNT OF THE CREDITS BY ALL TAXPAYERS FOR ALL PRIOR YEARS
18 PURSUANT TO THIS SECTION EXCEEDS \$50,000,000.00.

19 (6) THE DEPARTMENT SHALL DEVELOP PROCEDURES TO IMPLEMENT
20 THIS SECTION.

21 (7) AS USED IN THIS SECTION:

22 (A) "ELIGIBLE INVESTMENT" MEANS CONSTRUCTION, RESTORATION,
23 ALTERATION, RENOVATION, OR IMPROVEMENT OF BUILDINGS ON ELIGIBLE
24 PROPERTY AND THE ADDITION OF MACHINERY, EQUIPMENT, FURNITURE, AND
25 FIXTURES TO ELIGIBLE PROPERTY AFTER THE DATE THAT THE PROPERTY
26 BECOMES SUBJECT TO A TAX CAPTURE PROGRAM UNDER THE BROWNFIELD
27 REDEVELOPMENT FINANCING ACT, THE COSTS OF WHICH ARE NOT OTHERWISE

1 REIMBURSED TO THE TAXPAYER OR PAID FOR ON BEHALF OF THE TAXPAYER
2 FROM ANY SOURCE OTHER THAN THE TAXPAYER.

3 (B) "ELIGIBLE PROPERTY", "RESPONSE ACTIVITY", AND "WORK PLAN
4 OR REMEDIAL ACTION PLAN" MEAN THOSE TERMS AS DEFINED IN THE BROW-
5 NFIELD REDEVELOPMENT FINANCING ACT.

6 (C) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT MEETS BOTH OF
7 THE FOLLOWING CRITERIA:

8 (i) OWNS OR LEASES AN ELIGIBLE PROPERTY WITHIN A BROWNFIELD
9 REDEVELOPMENT ZONE DESIGNATED PURSUANT TO THE BROWNFIELD REDEVEL-
10 OPMENT FINANCING ACT THAT IS SUBJECT TO A WORK PLAN OR REMEDIAL
11 ACTION PLAN FOR RESPONSE ACTIVITY.

12 (ii) THE TAXPAYER HAS NOT BEEN DETERMINED BY THE DEPARTMENT
13 OF ENVIRONMENTAL QUALITY TO BE LIABLE UNDER SECTION 20126 OF PART
14 201 (ENVIRONMENTAL REMEDIATION) OF ACT NO. 451 OF THE PUBLIC ACTS
15 OF 1994, BEING SECTION 324.20126 OF THE MICHIGAN COMPILED LAWS,
16 FOR RESPONSE ACTIVITY AT AN ELIGIBLE PROPERTY TO WHICH THE CREDIT
17 IS ATTRIBUTABLE.

18 (D) "TAX LIABILITY ATTRIBUTABLE TO BUSINESS ACTIVITY CON-
19 DUCTED ON ELIGIBLE PROPERTY" MEANS THE TAX LIABILITY IMPOSED BY
20 THIS ACT AFTER THE CALCULATION OF ALL CREDITS UNDER THIS ACT
21 OTHER THAN THE CREDIT UNDER THIS SECTION MULTIPLIED BY A FRACTION
22 THE NUMERATOR OF WHICH IS THE RATIO OF THE VALUE OF ELIGIBLE
23 PROPERTY TO ALL OF THE TAXPAYER'S PROPERTY LOCATED IN THIS STATE
24 PLUS THE RATIO OF THE TAXPAYER'S PAYROLL ATTRIBUTABLE TO ELIGIBLE
25 INVESTMENT TO ALL OF THE TAXPAYER'S PAYROLL IN THIS STATE AND THE
26 DENOMINATOR OF WHICH IS 2.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. _____ or House Bill No. ⁵⁶⁷¹_____ (request
3 no. 06476'95) of the 88th Legislature is enacted into law.