



# SENATE BILL No. 236

February 2, 1995, Introduced by Senators CISKY, STEIL, HOFFMAN, GAST, GEAKE, BENNETT, GOUGEON, STILLE, ROGERS, MC MANUS, NORTH, SHUGARS, BOUCHARD, HONIGMAN, SCHUETTE, DUNASKISS and DE GROW and referred to the Committee on Finance.

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; and to add section 4c.

**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 and sec-  
4 tion 4c is added to read 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

1 incidental to that person's regular business activity ~~shall be~~  
2 ~~considered to be~~ IS a business activity within the meaning of  
3 this act.

4 (2) "Commissioner" means the state commissioner of revenue.

5 (3) ~~"Compensation"~~ EXCEPT AS OTHERWISE PROVIDED IN SEC-  
6 TIONS 4A, 4B, AND 4C, "COMPENSATION" means all wages, salaries,  
7 fees, bonuses, commissions, or other payments made in the taxable  
8 year on behalf of or for the benefit of employees, officers, or  
9 directors of the taxpayers and subject to or specifically exempt  
10 from withholding under ~~section~~ CHAPTER 24, SECTIONS 3401 TO  
11 3406 of the internal revenue code. Compensation includes, on a  
12 cash or accrual basis consistent with the taxpayer's method of  
13 accounting for federal income tax purposes, payments to state and  
14 federal unemployment compensation funds, payments under the fed-  
15 eral insurance contribution act and similar social insurance pro-  
16 grams, payments, including self-insurance, for ~~workmen's~~  
17 WORKER'S compensation insurance, payments to individuals not cur-  
18 rently working, payments to dependents and heirs of individuals  
19 because of current or former labor services rendered by those  
20 individuals, payments to a pension, retirement, or profit sharing  
21 plan, and payments for insurance for which employees are the ben-  
22 eficiaries, including payments under health and welfare and non-  
23 insured benefit plans and payments of fees for the administration  
24 of health and welfare and noninsured benefit plans. Compensation  
25 does not include discounts on the price of the taxpayer's mer-  
26 chandise or services sold to the taxpayer's employees, officers,

1 or directors ~~which~~ THAT are not available to other customers or  
2 payments to an independent contractor.

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

5 SEC. 4C. FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1994,  
6 COMPENSATION DOES NOT INCLUDE PAYMENTS, INCLUDING SELF-INSURANCE  
7 PAYMENTS, FOR WORKER'S COMPENSATION INSURANCE.

8 Section 2. This amendatory act shall not take effect unless  
9 all of the following bills of the 88th Legislature are enacted  
10 into law:

11 (a) Senate Bill No. 233.

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13 (b) Senate Bill No. 232.

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