

**SUBSTITUTE FOR
SENATE BILL NO. 405**

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 39d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY
2 1, 2000 AND BEFORE JANUARY 1, 2005, A QUALIFIED TAXPAYER MAY
3 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 50%
4 OF THE STARTUP FEES PAID BY THE TAXPAYER TO ESTABLISH A QUALIFIED
5 RETIREMENT PLAN OR \$1,500.00, WHICHEVER IS LESS.

6 (2) A TAXPAYER SHALL CLAIM THE CREDIT ALLOWED UNDER THIS
7 SECTION ONLY IN THE 1 TAX YEAR IN WHICH THE QUALIFIED RETIREMENT
8 PLAN IS FIRST ESTABLISHED BY THE TAXPAYER.

9 (3) AS USED IN THIS SECTION:

10 (A) "QUALIFIED RETIREMENT PLAN" MEANS A PROGRAM THAT
11 PROVIDES RETIREMENT OR PENSION BENEFITS FOR ALL EMPLOYEES

SB 405, As Passed Senate, June 17, 1999

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1 IMPLEMENTED BY A TAXPAYER THAT HAS NOT PREVIOUSLY OFFERED ANY
2 RETIREMENT OR PENSION PLAN OR PROGRAM TO HIS OR HER EMPLOYEES.

3 (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WITH 20 OR FEWER
4 EMPLOYEES THAT OFFERS THE QUALIFIED RETIREMENT PLAN TO ALL
5 EMPLOYEES.

6 (C) "RETIREMENT OR PENSION BENEFITS" MEANS ALL OF THE
7 FOLLOWING:

8 (i) RETIREMENT OR PENSION BENEFITS AS DEFINED IN SECTION 30
9 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.30.

10 (ii) ANY DISTRIBUTIONS FROM A 401(k) PLAN.