

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1271**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 484.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 484. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 1999 AND BEFORE JANUARY 1, 2010, FROM THE GROSS COLLECTIONS UNDER
3 THIS ACT, THE AMOUNT DETERMINED PURSUANT TO SUBSECTION (2) SHALL
4 BE DEPOSITED EACH YEAR IN THE AGRICULTURAL PROCESSING FACILITY
5 FUND CREATED IN THE AGRICULTURAL PROCESSING FACILITY ACT TO BE
6 APPROPRIATED AND USED SOLELY FOR THE PURPOSES OF THAT FUND.
7 (2) THE AMOUNT TO BE DEPOSITED IN THE AGRICULTURAL PROCESS-
8 ING FACILITY FUND EACH YEAR SHALL EQUAL THE EFFECTIVE TAX RATE AS
9 DETERMINED BY THE DEPARTMENT USING THE MOST RECENTLY AVAILABLE
10 TAX YEAR DATA MULTIPLIED BY THE PAYROLL OF QUALIFIED EMPLOYEES OF
11 EACH QUALIFIED EMPLOYER.

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1 (3) AN APPROPRIATION MADE PURSUANT TO THIS SECTION IS HEREBY
2 MADE FROM THE TAXES COLLECTED PURSUANT TO THIS ACT.

3 (4) A QUALIFIED EMPLOYER SHALL REPORT ALL NECESSARY INFORMA-
4 TION AS MAY BE REQUIRED BY THE DEPARTMENT TO COMPUTE THE DEPOSIT
5 TO THE AGRICULTURAL PROCESSING FACILITY FUND PURSUANT TO SUBSEC-
6 TION (1).

7 (5) AS USED IN THIS SECTION:

8 (A) "AVERAGE SALARY OF A QUALIFIED EMPLOYEE" MEANS THE TOTAL
9 PAYROLL OF A QUALIFIED EMPLOYER FOR ALL FULL-TIME EQUIVALENT
10 QUALIFIED EMPLOYEES DIVIDED BY THE NUMBER OF FULL-TIME EQUIVALENT
11 QUALIFIED EMPLOYEES OF THE QUALIFIED EMPLOYER.

12 (B) "EFFECTIVE TAX RATE" MEANS THE GROSS TAX LIABILITY AFTER
13 CREDITS OF ALL TAXPAYERS WITH ADJUSTED GROSS INCOME WITHIN THE
14 NEXT LOWER AND NEXT HIGHER INTEGRAL MULTIPLE OF \$5,000.00 OF THE
15 AVERAGE SALARY OF A QUALIFIED EMPLOYEE DIVIDED BY THE AGGREGATE
16 ADJUSTED GROSS INCOME OF ALL TAXPAYERS WITH ADJUSTED GROSS INCOME
17 WITHIN THE NEXT LOWER AND NEXT HIGHER INTEGRAL MULTIPLE OF
18 \$5,000.00 OF THE AVERAGE SALARY OF A QUALIFIED EMPLOYEE.

19 (C) "PAYROLL" MEANS TOTAL COMPENSATION SUBJECT TO WITHHOLD-
20 ING UNDER SECTION 351 BEFORE DEDUCTING ANY PERSONAL OR DEPENDENT
21 EXEMPTIONS.

22 (D) "QUALIFIED EMPLOYEE" MEANS A PERSON WHO IS EMPLOYED BY A
23 QUALIFIED EMPLOYER.

24 (E) "QUALIFIED EMPLOYER" MEANS THAT TERM AS DEFINED IN THE
25 AGRICULTURAL PROCESSING FACILITY ACT.

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1 Enacting section 1. This amendatory act does not take
2 effect unless Senate Bill No. 1272 of the 90th Legislature is
3 enacted into law.