

HOUSE BILL No. 4993

June 26, 2001, Introduced by Reps. Hale, Raczkowski, Bogardus, Hardman and Lemmons and referred to the Committee on Tax Policy.

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 AFTER DECEMBER 31,
2 2001, A TAXPAYER THAT IS A MANUFACTURER OR WHOLESALE DISTRIBUTOR
3 OF PRESCRIPTION DRUGS THAT HAS A PROGRAM DESIGNED TO DELIVER FREE
4 OR LOW-COST PRESCRIPTION DRUGS TO INDIVIDUALS WHO PAY FOR THOSE
5 PRESCRIPTION DRUGS WITHOUT REIMBURSEMENT OR PAYMENT FROM ANY
6 SOURCE FOR THE COST OF THOSE PRESCRIPTION DRUGS MAY CLAIM A
7 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 50% OF THE
8 DIFFERENCE BETWEEN THE STATE MEDICAID NEGOTIATED PRICE AND EITHER
9 OF THE FOLLOWING AS APPLICABLE:
10 (A) FOR A MANUFACTURER, THE COST TO MANUFACTURE THE
11 PRESCRIPTION DRUGS.

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1 (B) FOR A WHOLESALE DISTRIBUTOR, THE WHOLESALE PRICE OF THE
2 PRESCRIPTION DRUGS.

3 (2) TO QUALIFY FOR THE CREDIT UNDER THIS SECTION, THE TAX-
4 PAYER SHALL PROVIDE A COMMUNITY EDUCATION AND PUBLIC AWARENESS
5 PROGRAM TO INFORM THE GENERAL PUBLIC ABOUT THE AVAILABILITY OF
6 FREE OR LOW-COST PRESCRIPTION DRUGS.

7 (3) THE CREDIT UNDER THIS SECTION SHALL NOT EXCEED 50% OF
8 THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR.

9 (4) AS USED IN THIS SECTION, "PRESCRIPTION DRUG" MEANS THAT
10 TERM AS DEFINED IN SECTION 17708 OF THE PUBLIC HEALTH CODE, 1978
11 PA 368, MCL 333.17708.