

SENATE BILL No. 1322

May 9, 2002, Introduced by Senators EMMONS, STILLE, STEIL and HAMMERSTROM and referred to the Committee on Finance.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39E. (1) A TAXPAYER OR A TRANSFEREE OF A TAXPAYER
2 UNDER SUBSECTION (11) OR (14) MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED BY THIS ACT FOR 1 OR MORE OF THE FOLLOWING AS
4 APPLICABLE:

- 5 (A) THE CREDIT ALLOWED UNDER SUBSECTION (2).
- 6 (B) THE CREDIT ALLOWED UNDER SUBSECTION (3).
- 7 (C) THE CREDIT ALLOWED UNDER SUBSECTION (5).
- 8 (D) THE CREDIT ALLOWED UNDER SUBSECTION (12).

9 (2) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2002, A
10 TAXPAYER MAY CLAIM A NONREFUNDABLE CREDIT FOR THAT PORTION OF THE
11 TAXPAYER'S TAX LIABILITY ATTRIBUTABLE TO THE RESEARCH,

1 DEVELOPMENT, OR MANUFACTURING OF AN ALTERNATIVE ENERGY MARINE
2 PROPULSION SYSTEM, AN ALTERNATIVE ENERGY SYSTEM, AN ALTERNATIVE
3 ENERGY VEHICLE, OR ALTERNATIVE ENERGY TECHNOLOGY FOR THE TAX
4 YEAR.

5 (3) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2002, A TAX-
6 PAYER THAT IS A QUALIFIED ALTERNATIVE ENERGY ENTITY MAY CLAIM A
7 CREDIT FOR THE TAXPAYER'S QUALIFIED WITHHOLDING AMOUNT. A TAX-
8 PAYER SHALL CLAIM THE CREDIT UNDER THIS SUBSECTION AFTER ALL
9 ALLOWABLE NONREFUNDABLE CREDITS UNDER THIS ACT.

10 (4) IF THE CREDIT ALLOWED UNDER SUBSECTION (3) EXCEEDS THE
11 TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF
12 THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

13 (5) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2002 AND
14 BEFORE JANUARY 1, 2013, AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT
15 FOR QUALIFIED INVESTMENT FOR RESEARCH EXPERIMENTAL ACTIVITIES
16 CONDUCTED IN THE TAX YEAR AS APPROVED BY THE MICHIGAN ECONOMIC
17 GROWTH AUTHORITY PURSUANT TO SUBSECTION (6) FOR THE AMOUNT DETER-
18 MINED UNDER SUBSECTION (7).

19 (6) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL APPROVE OR
20 DENY A CREDIT UNDER SUBSECTION (5) TO TAXPAYERS THAT APPLY FOR
21 THE CREDIT. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL NOT
22 APPROVE MORE THAN 50 TAXPAYERS AS ELIGIBLE TAXPAYERS EACH STATE
23 FISCAL YEAR. THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE
24 A LETTER AS PROVIDED UNDER SUBSECTION (8) AUTHORIZING THE CREDIT
25 TO EACH ELIGIBLE TAXPAYER APPROVED FOR THE CREDIT UNDER SUBSEC-
26 TION (5) THAT STATES THE AMOUNT OF THE CREDIT THAT THE ELIGIBLE
27 TAXPAYER MAY CLAIM EACH TAX YEAR AS DETERMINED UNDER SUBSECTION

1 (7) AND THE TAX YEAR IN WHICH THE ELIGIBLE TAXPAYER MAY CLAIM
2 THAT CREDIT.

3 (7) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DETERMINE
4 THE PERCENTAGE, WHICH SHALL NOT EXCEED 25%, OF THE TAXPAYER'S
5 QUALIFIED INVESTMENT FOR RESEARCH EXPERIMENTAL ACTIVITIES THAT
6 THE ELIGIBLE TAXPAYER MAY CLAIM AS A CREDIT UNDER SUBSECTION
7 (5). THE MAXIMUM CREDIT THAT THE MICHIGAN ECONOMIC GROWTH
8 AUTHORITY MAY APPROVE FOR EACH ELIGIBLE TAXPAYER SHALL NOT EXCEED
9 \$1,000,000.00 PER TAXPAYER PER TAX YEAR.

10 (8) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DETERMINE
11 ELIGIBLE TAXPAYERS AND ISSUE THE LETTER UNDER SUBSECTION (6) TO
12 ELIGIBLE TAXPAYERS IF THE QUALIFIED INVESTMENT OF THE ELIGIBLE
13 TAXPAYER MEETS AT LEAST 1 OF THE FOLLOWING CRITERIA:

14 (A) THE ACTIVITY ON WHICH THE QUALIFIED INVESTMENT IS BASED
15 IS CONDUCTED IN A CERTIFIED TECHNOLOGY PARK.

16 (B) THE QUALIFIED INVESTMENT IS IN A BUSINESS SECTOR TAR-
17 GETED BY THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FOR
18 INCREASED ECONOMIC DEVELOPMENT WITHIN THIS STATE.

19 (C) THE QUALIFIED INVESTMENT IS DIRECTLY RELATED TO AN
20 AGREEMENT BETWEEN AN INSTITUTION OF HIGHER EDUCATION IN THIS
21 STATE AND A BUSINESS FOR A PRODUCT OR TECHNOLOGY BASED ON
22 ADVANCED TECHNOLOGY RESEARCH AND DEVELOPMENT CONDUCTED BY THE
23 INSTITUTION OF HIGHER EDUCATION.

24 (9) AN ELIGIBLE TAXPAYER SHALL ATTACH THE LETTER ISSUED
25 UNDER SUBSECTION (6) TO THE ANNUAL RETURN ON WHICH A CREDIT UNDER
26 SUBSECTION (5) IS CLAIMED.

1 (10) IF THE CREDIT ALLOWED UNDER SUBSECTION (5) FOR THE TAX
2 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER
3 SUBSECTION (5) EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE
4 TAX YEAR, THE EXCESS SHALL NOT BE REFUNDED, BUT MAY BE CARRIED
5 FORWARD AS AN OFFSET TO THE TAX LIABILITY IN SUBSEQUENT TAX YEARS
6 FOR 5 TAX YEARS OR UNTIL THE EXCESS CREDIT IS USED UP, WHICHEVER
7 OCCURS FIRST.

8 (11) A TAXPAYER MAY TRANSFER ALL OR A PORTION OF THE TAX
9 CREDIT ALLOWED UNDER SUBSECTION (5). A TAX CREDIT TRANSFER UNDER
10 THIS SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR
11 IN WHICH THE LETTER UNDER SUBSECTION (6) IS ISSUED. A TAXPAYER
12 MAY CLAIM A PORTION OF A CREDIT AND TRANSFER THE REMAINING TAX
13 CREDIT AMOUNT. EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
14 IF THE TAXPAYER BOTH CLAIMS AND TRANSFERS PORTIONS OF THE TAX
15 CREDIT, THE TAXPAYER SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX
16 YEAR IN WHICH THE LETTER UNDER SUBSECTION (6) IS ISSUED. IF A
17 TAXPAYER TRANSFERS ALL OR A PORTION OF THE TAX CREDIT TO MORE
18 THAN 1 TAXPAYER, THE TAXPAYER SHALL ALLOCATE THE TAX CREDIT TO
19 EACH TRANSFEREE. A TRANSFEREE SHALL NOT SUBSEQUENTLY TRANSFER A
20 TAX CREDIT OR ANY PORTION OF A TAX CREDIT TRANSFERRED UNDER THIS
21 SUBSECTION. THE TAX CREDIT TRANSFER UNDER THIS SUBSECTION SHALL
22 BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE
23 TAXPAYER SHALL SEND A COPY OF THE COMPLETED TRANSFER FORM TO THE
24 MICHIGAN ECONOMIC GROWTH AUTHORITY AND THE DEPARTMENT NOT MORE
25 THAN 30 DAYS AFTER THE TRANSFER IS MADE. THE TRANSFEREE SHALL
26 ATTACH A COPY OF THE COMPLETED TRANSFER FORM TO ITS ANNUAL RETURN
27 REQUIRED TO BE FILED UNDER THE SINGLE BUSINESS TAX ACT, 1975

1 PA 228, MCL 208.1 TO 208.145, FOR THE TAX YEAR IN WHICH THE
2 TRANSFER IS MADE AND THE TRANSFEREE FIRST CLAIMS A CREDIT, WHICH
3 SHALL BE THE SAME TAX YEAR. THE TAXPAYER SHALL NOT TRANSFER MORE
4 THAN THE ANNUAL CREDIT AMOUNT FOR EACH TAX YEAR.

5 (12) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2002 AND
6 BEFORE JANUARY 1, 2013, A QUALIFIED TAXPAYER MAY CLAIM A TAX
7 CREDIT FOR THE AMOUNT AUTHORIZED AND FOR WHICH A CERTIFICATE IS
8 ISSUED UNDER SECTION 11 OF THE MICHIGAN EARLY STAGE VENTURE CAPI-
9 TAL INVESTMENT ACT.

10 (13) IF THE CREDIT ALLOWED UNDER SUBSECTION (12) FOR THE TAX
11 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT EXCEED THE
12 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION OF THE
13 TAX LIABILITY THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
14 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD FOR 5 YEARS OR
15 UNTIL USED UP, WHICHEVER OCCURS FIRST. FOR TAX YEARS THAT BEGIN
16 AFTER DECEMBER 31, 2013, IF THE TAXPAYER HAS UNUSED CARRYFORWARD,
17 THE TAXPAYER MAY CONTINUE TO USE THAT CARRYFORWARD FOR THE
18 REMAINDER OF THE 5-YEAR PERIOD OR UNTIL IT IS USED UP, WHICHEVER
19 OCCURS FIRST.

20 (14) A CERTIFIED INVESTOR MAY TRANSFER ALL OR A PORTION OF
21 THE TAX CREDIT ALLOWED UNDER SUBSECTION (12). A TAX CREDIT
22 TRANSFER UNDER THIS SUBSECTION IS IRREVOCABLE AND SHALL BE MADE
23 IN THE TAX YEAR IN WHICH THE CERTIFICATE UNDER SECTION 11 OF THE
24 MICHIGAN EARLY STAGE VENTURE CAPITAL INVESTMENT ACT IS ISSUED. A
25 CERTIFIED INVESTOR MAY CLAIM A PORTION OF A CREDIT AND TRANSFER
26 THE REMAINING TAX CREDIT AMOUNT. EXCEPT AS OTHERWISE PROVIDED IN
27 THIS SUBSECTION, IF THE CERTIFIED INVESTOR BOTH CLAIMS AND

1 TRANSFERS PORTIONS OF THE TAX CREDIT, THE CERTIFIED INVESTOR
2 SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH THE
3 CERTIFICATE UNDER SECTION 11 OF THE MICHIGAN EARLY STAGE VENTURE
4 CAPITAL INVESTMENT ACT IS ISSUED. IF A CERTIFIED INVESTOR TRANS-
5 FERS ALL OR A PORTION OF THE TAX CREDIT TO MORE THAN 1 TAXPAYER,
6 THE CERTIFIED INVESTOR SHALL ALLOCATE THE TAX CREDIT TO EACH
7 TRANSFEREE. A TRANSFEREE SHALL NOT SUBSEQUENTLY TRANSFER A TAX
8 CREDIT OR ANY PORTION OF A TAX CREDIT TRANSFERRED UNDER THIS
9 SECTION. THE TAX CREDIT TRANSFER UNDER THIS SUBSECTION SHALL BE
10 MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE CERTIFIED
11 INVESTOR SHALL SEND A COPY OF THE COMPLETED TRANSFER FORM TO THE
12 DEPARTMENT IN THE TAX YEAR IN WHICH THE TRANSFER IS MADE. THE
13 TRANSFEREE SHALL ATTACH A COPY OF THE COMPLETED TRANSFER FORM TO
14 ITS ANNUAL RETURN REQUIRED TO BE FILED UNDER THIS ACT FOR THE TAX
15 YEAR IN WHICH THE TRANSFER IS MADE AND THE TRANSFEREE FIRST
16 CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR. A CERTIFIED
17 INVESTOR SHALL NOT TRANSFER MORE THAN THE ANNUAL CREDIT AMOUNT
18 AUTHORIZED FOR THAT CERTIFIED INVESTOR FOR EACH TAX YEAR.

19 (15) AS USED IN THIS SECTION:

20 (A) "ALTERNATIVE ENERGY MARINE PROPULSION SYSTEM",
21 "ALTERNATIVE ENERGY SYSTEM", "ALTERNATIVE ENERGY VEHICLE", AND
22 "ALTERNATIVE ENERGY TECHNOLOGY" MEAN THOSE TERMS AS DEFINED IN
23 SECTION 9I OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,
24 MCL 211.9I.

25 (B) "ALTERNATIVE ENERGY ZONE" MEANS A RENAISSANCE ZONE DES-
26 IGNATED AS AN ALTERNATIVE ENERGY ZONE BY THE BOARD OF THE

1 MICHIGAN STRATEGIC FUND UNDER SECTION 8A OF THE MICHIGAN
2 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2688A.

3 (C) "CERTIFIED INVESTOR" MEANS THAT TERM AS DEFINED IN THE
4 MICHIGAN EARLY STAGE VENTURE CAPITAL INVESTMENT ACT.

5 (D) "CERTIFIED TECHNOLOGY PARK" MEANS THAT TERM AS DEFINED
6 IN SECTION 2 OF THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281,
7 MCL 125.2152.

8 (E) "ELIGIBLE TAXPAYER" MEANS A TAXPAYER THAT WAS APPROVED
9 AND ISSUED A LETTER BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY
10 UNDER SUBSECTION (6).

11 (F) "INSTITUTION OF HIGHER EDUCATION" MEANS A COLLEGE OR
12 UNIVERSITY DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE
13 STATE CONSTITUTION OF 1963; A COMMUNITY COLLEGE OR JUNIOR COLLEGE
14 ESTABLISHED UNDER SECTION 7 OF ARTICLE VIII OF THE STATE CONSTI-
15 TUTION OF 1963; OR A PRIVATE COLLEGE OR UNIVERSITY IN THIS
16 STATE.

17 (G) "MICHIGAN ECONOMIC GROWTH AUTHORITY" MEANS THE MICHIGAN
18 ECONOMIC GROWTH AUTHORITY CREATED IN THE MICHIGAN ECONOMIC GROWTH
19 AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

20 (H) "QUALIFIED ALTERNATIVE ENERGY ENTITY" MEANS A TAXPAYER
21 LOCATED AND CONDUCTING A QUALIFIED BUSINESS ACTIVITY WITHIN AN
22 ALTERNATIVE ENERGY ZONE.

23 (I) "QUALIFIED BUSINESS ACTIVITY" MEANS RESEARCH, DEVELOP-
24 MENT, ENHANCEMENT, OR MANUFACTURING OF ALTERNATIVE ENERGY TECH-
25 NOLOGY OR ANY BUSINESS ACTIVITY THAT SUPPORTS THE RESEARCH,
26 DEVELOPMENT, ENHANCEMENT, OR MANUFACTURING OF ALTERNATIVE ENERGY
27 TECHNOLOGY.

1 (J) "QUALIFIED EMPLOYEE" MEANS AN INDIVIDUAL WHO IS EMPLOYED
2 BY A QUALIFIED ALTERNATIVE ENERGY ENTITY, WHOSE JOB RESPONSIBILI-
3 TIES ARE RELATED TO THE RESEARCH, DEVELOPMENT, OR MANUFACTURING
4 ACTIVITIES OF THE QUALIFIED ALTERNATIVE ENERGY ENTITY, AND WHOSE
5 REGULAR PLACE OF EMPLOYMENT IS WITHIN AN ALTERNATIVE ENERGY
6 ZONE.

7 (K) "QUALIFIED INVESTMENT" MEANS THE INCREASE IN EXPENDI-
8 TURES FOR RESEARCH EXPERIMENTAL ACTIVITIES IN THE TAX YEAR BY THE
9 ELIGIBLE TAXPAYER AS COMPARED TO THE AVERAGE EXPENDITURES FOR
10 RESEARCH EXPERIMENTAL ACTIVITIES BY THE ELIGIBLE TAXPAYER OVER
11 THE 4 TAX YEARS IMMEDIATELY PRECEDING THE TAX YEAR IN WHICH THE
12 CREDIT IS CLAIMED. IF AN ELIGIBLE TAXPAYER'S EXPENDITURES FOR
13 RESEARCH EXPERIMENTAL ACTIVITIES FOR THE TAX YEAR ARE NOT MORE
14 THAN THE AVERAGE EXPENDITURES FOR RESEARCH EXPERIMENTAL ACTIVI-
15 TIES OVER THE 4 TAX YEARS IMMEDIATELY PRECEDING THE TAX YEAR IN
16 WHICH THE CREDIT IS CLAIMED, THE ELIGIBLE TAXPAYER SHALL NOT
17 CLAIM A CREDIT FOR THAT TAX YEAR. AN AFFILIATED GROUP AS DEFINED
18 IN THIS ACT, A CONTROLLED GROUP OF CORPORATIONS AS DEFINED IN
19 SECTION 1563 OF THE INTERNAL REVENUE CODE AND FURTHER DESCRIBED
20 IN 26 C.F.R. 1.414(b)-1 AND 1.414(c)-1 TO 1.414(c)-5, OR AN
21 ENTITY UNDER COMMON CONTROL AS DEFINED BY THE INTERNAL REVENUE
22 CODE SHALL NOT TAKE THE CREDIT ALLOWED BY THIS SECTION UNLESS THE
23 BUSINESS ACTIVITIES OF THE ENTITIES ARE CONSOLIDATED. IF THE
24 ELIGIBLE TAXPAYER HAS EXPENDITURES FOR RESEARCH EXPERIMENTAL
25 ACTIVITIES FOR LESS THAN 4 YEARS, THE AVERAGE EXPENDITURES FOR
26 RESEARCH EXPERIMENTAL ACTIVITIES FOR PURPOSES OF THIS SUBDIVISION
27 IS THE AVERAGE OF EXPENDITURES FOR RESEARCH EXPERIMENTAL

1 ACTIVITIES FOR THE NUMBER OF YEARS IN WHICH THE ELIGIBLE TAXPAYER
2 HAD EXPENDITURES FOR RESEARCH EXPERIMENTAL ACTIVITIES.

3 (L) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT HAS A CERTIF-
4 ICATE ISSUED UNDER SECTION 11 OF THE MICHIGAN EARLY STAGE VENTURE
5 CAPITAL INVESTMENT ACT OR A TAXPAYER THAT IS A TRANSFEREE UNDER
6 SECTION 13 OF THE MICHIGAN EARLY STAGE VENTURE CAPITAL INVESTMENT
7 ACT.

8 (M) "QUALIFIED WITHHOLDING AMOUNT" MEANS AN AMOUNT EQUAL TO
9 THE AMOUNT OF TAX THAT WOULD HAVE BEEN WITHHELD PURSUANT TO THE
10 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1 TO 206.532, BY THE
11 QUALIFIED ALTERNATIVE ENERGY ENTITY FOR ALL QUALIFIED EMPLOYEES
12 IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CLOSE OF THE QUAL-
13 IFIED ALTERNATIVE ENERGY ENTITY FISCAL YEAR FOR WHICH THE CREDIT
14 UNDER SUBSECTION (4) IS BEING CLAIMED, IF THOSE QUALIFIED EMPLOY-
15 EES HAD CLAIMED THE SAME NUMBER OF PERSONAL AND DEPENDENCY EXEMP-
16 TIONS THAT THEY ARE ALLOWED TO CLAIM ON THEIR ANNUAL RETURN UNDER
17 SECTION 30(2) OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
18 MCL 206.30.

19 (N) "RENAISSANCE ZONE" MEANS A RENAISSANCE ZONE DESIGNATED
20 UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376,
21 MCL 125.2681 TO 125.2696.

22 (O) "RESEARCH EXPERIMENTAL ACTIVITIES" MEANS RESEARCH AND
23 EXPERIMENTAL EXPENDITURES AS DESCRIBED IN SECTION 174 OF THE
24 INTERNAL REVENUE CODE.

25 (P) "TAX LIABILITY ATTRIBUTABLE TO RESEARCH, DEVELOPMENT,
26 AND MANUFACTURING OF AN ALTERNATIVE ENERGY MARINE PROPULSION
27 SYSTEM, AN ALTERNATIVE ENERGY SYSTEM, AN ALTERNATIVE ENERGY

1 VEHICLE, OR ALTERNATIVE ENERGY TECHNOLOGY" MEANS THE TAXPAYER'S
2 TAX LIABILITY MULTIPLIED BY A FRACTION THE NUMERATOR OF WHICH IS
3 THE RATIO OF THE AVERAGE VALUE OF THE TAXPAYER'S PROPERTY IN THIS
4 STATE NOT IN A RENAISSANCE ZONE USED FOR THE RESEARCH, DEVELOP-
5 MENT, AND MANUFACTURING OF AN ALTERNATIVE ENERGY MARINE PROPUL-
6 SION SYSTEM, AN ALTERNATIVE ENERGY SYSTEM, AN ALTERNATIVE ENERGY
7 VEHICLE, OR ALTERNATIVE ENERGY TECHNOLOGY TO THE AVERAGE VALUE OF
8 ALL OF THE TAXPAYER'S PROPERTY IN THIS STATE PLUS THE RATIO OF
9 THE TAXPAYER'S PAYROLL IN THIS STATE NOT IN A RENAISSANCE ZONE
10 FOR RESEARCH, DEVELOPMENT, AND MANUFACTURING OF AN ALTERNATIVE
11 ENERGY MARINE PROPULSION SYSTEM, AN ALTERNATIVE ENERGY SYSTEM, AN
12 ALTERNATIVE ENERGY VEHICLE, OR ALTERNATIVE ENERGY TECHNOLOGY TO
13 ALL OF THE TAXPAYER'S PAYROLL IN THIS STATE AND THE DENOMINATOR
14 OF WHICH IS 2.