

# HOUSE BILL No. 4570

April 10, 2003, Introduced by Rep. O'Neil 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 sections 79 and 79a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 79. A taxpayer that files a consolidated or combined  
2 return under this act shall not claim a credit carryforward or  
3 loss carryforward from a year in which the member from whom the  
4 credit carryforward or loss carryforward originated did not file  
5 a return on a consolidated or combined basis in an amount greater  
6 than the total credit carryforward or loss carryforward that  
7 could have been claimed by that member for the same taxable  
8 period if that member had filed a separate return.

9       Sec. 79a. For tax years that begin on and after January 1,  
10 2003, a taxpayer that files a return under this act that includes  
11 a disregarded entity under an election pursuant to 26

1 C.F.R. 301.7701-1 to 301.7701-3 or section 1361(b)(3) of the  
2 internal revenue code shall not claim on that return a credit  
3 carryforward or loss carryforward from a year in which the entity  
4 from whom the credit carryforward or loss carryforward originated  
5 did not file a return on a disregarded entity basis in an amount  
6 greater than the total credit carryforward or loss carryforward  
7 that could have been claimed by that entity if that entity had  
8 filed a separate return.

9 Enacting section 1. This amendatory act is intended to  
10 clarify the way in which a credit carryforward or loss  
11 carryforward was intended to be treated by taxpayers that file  
12 consolidated or combined annual returns under this act.