

Act No. 52  
Public Acts of 2003  
Approved by the Governor  
July 11, 2003  
Filed with the Secretary of State  
July 14, 2003  
EFFECTIVE DATE: July 14, 2003

**STATE OF MICHIGAN  
92ND LEGISLATURE  
REGULAR SESSION OF 2003**

**Introduced by Rep. Farrah**

# **ENROLLED HOUSE BILL No. 4557**

AN ACT to amend 1967 PA 281, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," by amending section 4 (MCL 206.4).

*The People of the State of Michigan enact:*

Sec. 4. (1) "Board" means the state board of tax appeals.

(2) "Business income" means all income arising from transactions, activities, and sources in the regular course of the taxpayer's trade or business and includes the following:

(a) All income from tangible and intangible property if the acquisition, rental, management, or disposition of the property constitutes integral parts of the taxpayer's regular trade or business operations.

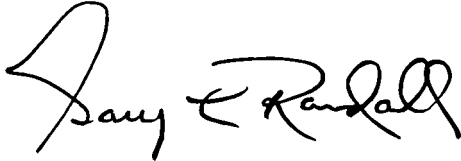
(b) Gains or losses from stock and securities of any foreign or domestic corporation and dividend and interest income.

(c) Income derived from isolated sales, leases, assignment, licenses, divisions, or other infrequently occurring dispositions, transfers, or transactions involving property if the property is or was used in the taxpayer's trade or business operation.

(d) Income derived from the sale of a business.

(3) Not later than 2 years after the effective date of the amendatory act that added subsection (2)(b), the department shall report the impact of the amendatory act that added subsection (2)(b) on the tax liability under this act of resident and nonresident taxpayers to the house tax policy committee and the senate finance committee.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor