

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5216

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 270 (MCL 206.270), as added by 2003 PA 295.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 270. (1) For tax years that begin after December 31,
2 ~~2009 and before January 1, 2020, both of the following apply:~~
3 ~~—— (a) A taxpayer to whom a certificate and remaining credit~~
4 ~~amount have been transferred under section 37e of the single~~
5 ~~business tax act, 1975 PA 228, MCL 208.37e, may claim that credit~~
6 ~~against the tax imposed by this act equal to the credit amount~~
7 ~~transferred.~~
8 ~~—— (b) A claimant may claim a credit as provided in this section.~~
9 ~~—— (2) A credit claimed under this section shall only be claimed~~

1 ~~in a tax year in which the credit under section 37e of the single~~
2 ~~business tax act, 1975 PA 228, MCL 208.37e, is not allowed against~~
3 ~~tax liability under the single business tax act, 1975 PA 228, MCL~~
4 ~~208.1 to 208.145, or against a tax levied and imposed under a~~
5 ~~successor tax to the single business tax act, 1975 PA 228, MCL~~
6 ~~208.1 to 208.145.~~

7 ~~—— (3) A credit under this section shall be claimed 2008, A~~
8 ~~TAXPAYER TO WHOM A TAX VOUCHER CERTIFICATE IS ISSUED OR A TAXPAYER~~
9 ~~THAT IS THE TRANSFEREE OF A TAX VOUCHER CERTIFICATE MAY USE THE TAX~~
10 ~~VOUCHER CERTIFICATE TO PAY ANY LIABILITY OF THE TAXPAYER UNDER~~
11 ~~SECTION 51 OR TO PAY ANY AMOUNT OWED BY THE TAXPAYER UNDER SECTION~~
12 ~~351.~~

13 (2) A TAX VOUCHER CERTIFICATE SHALL BE USED FOR THE PURPOSES
14 ALLOWED UNDER SUBSECTION (1) AND only in a tax year that begins
15 after December 31, ~~2009 and before January 1, 2020~~ 2008.

16 ~~—— (4) The credit allowed for any tax year under subsection~~
17 ~~(1)(a) shall not exceed the amount allowed on the certificate and~~
18 ~~transferred and for the specified tax year. The credit allowed for~~
19 ~~any tax year under subsection (1)(b) shall not exceed the amount~~
20 ~~allowed on the claimant's certificate for the specified tax year.~~

21 ~~—— (5) If the taxpayer's or claimant's credit allowed under this~~
22 ~~section for a tax year exceeds the taxpayer's or claimant's tax~~
23 ~~liability for the tax year, that portion of the credit that exceeds~~
24 ~~the tax liability for the tax year shall be refunded.~~

25 ~~—— (6) For credits claimed under subsection (1)(a), the~~
26 ~~certificate transferred to the taxpayer and for credits claimed~~
27 ~~under subsection (1)(b), the claimant's certificate, shall be~~

~~attached to the annual return under this act for the first tax year in which a credit under this section or any portion of a credit under this section is claimed.~~

~~—— (7) For credits allowed under subsection (1) (b), for a claimant that has no tax liability under this act for the tax year, the amount of the claim under subsection (1) (b) shall be equal to the remaining credit amount the claimant could have claimed under section 37e of the single business tax act, 1975 PA 228, MCL 208.37e, had that section been in effect for the tax year.~~

~~—— (8) The department shall prescribe the form for claiming the credit under subsection (1) (b), which shall be a form separate and distinct from all other forms under this act.~~

(3) THE AMOUNT OF THE TAX VOUCHER THAT MAY BE USED TO PAY A LIABILITY DUE UNDER THIS ACT IN ANY TAX YEAR SHALL NOT EXCEED THE LESSER OF THE FOLLOWING:

(A) THE AMOUNT OF THE TAX VOUCHER STATED IN THE TAX VOUCHER CERTIFICATE HELD BY THE TAXPAYER.

(B) THE AMOUNT AUTHORIZED TO BE USED IN THE TAX YEAR UNDER THE TERMS OF THE TAX VOUCHER CERTIFICATE.

(C) THE TAXPAYER'S LIABILITY UNDER THIS ACT FOR THE TAX YEAR FOR WHICH THE TAX VOUCHER IS USED.

(4) IF THE AMOUNT OF ANY TAX VOUCHER CERTIFICATE HELD BY A TAXPAYER OR TRANSFEREE EXCEEDS THE AMOUNT THE TAXPAYER MAY USE UNDER SUBSECTION (3) (B) OR (C) IN A TAX YEAR, THAT EXCESS MAY BE USED BY THE TAXPAYER OR TRANSFEREE TO PAY, SUBJECT TO THE LIMITATIONS OF SUBSECTION (3), ANY FUTURE LIABILITY OF THE TAXPAYER OR TRANSFEREE UNDER THIS ACT.

1 (5) THE TAX VOUCHER CERTIFICATE, AND ANY COMPLETED TRANSFER
2 FORM THAT WAS ISSUED PURSUANT TO THE MICHIGAN EARLY STAGE VENTURE
3 INVESTMENT ACT OF 2003, 2003 PA 296, MCL 125.2231 TO 125.2263,
4 SHALL BE ATTACHED TO THE ANNUAL RETURN UNDER THIS ACT. THE
5 DEPARTMENT MAY PRESCRIBE AND IMPLEMENT ALTERNATIVE METHODS OF
6 REPORTING AND RECORDING OWNERSHIP, TRANSFER, AND UTILIZATION OF TAX
7 VOUCHER CERTIFICATES THAT ARE NOT INCONSISTENT WITH THE PROVISIONS
8 OF THIS ACT. THE DEPARTMENT SHALL ADMINISTER THIS SECTION TO ASSURE
9 THAT ANY AMOUNT OF A TAX VOUCHER CERTIFICATE USED TO PAY ANY
10 LIABILITY UNDER THIS ACT SHALL NOT ALSO BE APPLIED TO PAY ANY
11 LIABILITY OF THE TAXPAYER OR ANY OTHER PERSON UNDER THE SINGLE
12 BUSINESS TAX ACT, 1975 PA 228, MCL 208.1 TO 208.145. THE DEPARTMENT
13 SHALL TAKE ANY ACTION NECESSARY TO ENFORCE AND EFFECTUATE THE
14 PERMISSIBLE ISSUANCE AND USE OF TAX VOUCHER CERTIFICATES IN A
15 MANNER AUTHORIZED UNDER THIS SECTION AND THE MICHIGAN EARLY STAGE
16 VENTURE INVESTMENT ACT OF 2003, 2003 PA 296, MCL 125.2231 TO
17 125.2263.

18 (6) ~~—(9)—~~ As used in this section:

19 (a) "Certificate" OR "TAX VOUCHER CERTIFICATE" means the TAX
20 VOUCHER certificate issued under section 23 of the Michigan early
21 stage venture capital investment act of 2003, 2003 PA 296, MCL
22 125.2253, OR ANY REPLACEMENT TAX VOUCHER CERTIFICATE ISSUED UNDER
23 SECTION 37E(9)(B) OR (D) OF THE SINGLE BUSINESS TAX ACT, 1975 PA
24 228, MCL 208.37E.

25 ~~—(b) "Claimant" means a person to whom a certificate has been~~
26 ~~issued under section 23 of the Michigan early stage venture~~
27 ~~investment act of 2003.~~

1 ~~—— (c) "Remaining credit amount" means the amount of credit~~
2 ~~allowed under a certificate but not claimed under section 37e of~~
3 ~~the single business tax act, 1975 PA 228, MCL 208.37e.~~

4 (B) "TRANSFeree" MEANS A TAXPAYER TO WHOM A TAX VOUCHER
5 CERTIFICATE HAS BEEN TRANSFERRED UNDER SECTION 23 OF THE MICHIGAN
6 EARLY STAGE VENTURE INVESTMENT ACT OF 2003, 2003 PA 296, MCL
7 125.2253, AND SECTION 37E OF THE SINGLE BUSINESS TAX ACT, 1975 PA
8 228, MCL 208.37E.