

HOUSE BILL No. 6070

May 17, 2006, Introduced by Reps. Huizenga, Elsenheimer and Tobocman and referred to the Committee on Commerce.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 35e; and to repeal acts
and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35E. (1) FOR PROJECTS APPROVED UNDER SECTION 38G FOR
2 WHICH A CERTIFICATE OF COMPLETION IS ISSUED ON AND AFTER JANUARY 1,
3 2006, A QUALIFIED TAXPAYER MAY ASSIGN ALL OR A PORTION OF A CREDIT
4 ALLOWED UNDER SECTION 38G(2), (3), OR (33) UNDER THIS SECTION. A
5 CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE AND, EXCEPT
6 FOR A CREDIT ASSIGNMENT BASED ON A MULTIPHASE PROJECT, SHALL BE
7 MADE IN THE TAX YEAR IN WHICH A CERTIFICATE OF COMPLETION IS ISSUED
8 UNLESS THE ASSIGNEE IS AN UNKNOWN LESSEE. IF A QUALIFIED TAXPAYER

1 WISHES TO ASSIGN ALL OR A PORTION OF ITS CREDIT TO A LESSEE BUT THE
2 LESSEE IS UNKNOWN IN THE TAX YEAR IN WHICH THE CERTIFICATE OF
3 COMPLETION IS ISSUED, THE QUALIFIED TAXPAYER MAY DELAY CLAIMING AND
4 ASSIGNING THE CREDIT UNTIL THE FIRST TAX YEAR IN WHICH THE LESSEE
5 IS KNOWN. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND
6 ASSIGN THE REMAINING CREDIT AMOUNT. IF THE QUALIFIED TAXPAYER BOTH
7 CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER
8 SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A
9 CERTIFICATE OF COMPLETION IS ISSUED PURSUANT TO SECTION 38G. AN
10 ASSIGNEE MAY SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A
11 CREDIT ASSIGNED UNDER THIS SECTION TO 1 OR MORE ASSIGNEES. AN
12 ASSIGNMENT UNDER THIS SECTION OF A CREDIT ALLOWED UNDER SECTION
13 38G(2), (3), OR (33) SHALL NOT BE MADE AFTER 10 YEARS AFTER THE
14 FIRST TAX YEAR IN WHICH THAT CREDIT UNDER SECTION 38G(2), (3), OR
15 (33) MAY BE CLAIMED. THE CREDIT ASSIGNMENT OR A SUBSEQUENT
16 REASSIGNMENT UNDER THIS SECTION SHALL BE MADE ON A FORM PRESCRIBED
17 BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE QUALIFIED TAXPAYER
18 SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE MICHIGAN
19 ECONOMIC GROWTH AUTHORITY IN THE TAX YEAR IN WHICH AN ASSIGNMENT OR
20 REASSIGNMENT IS MADE. AN ASSIGNEE OR SUBSEQUENT REASSIGNEE SHALL
21 ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN
22 REQUIRED UNDER THIS ACT, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT
23 OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS
24 A CREDIT, WHICH SHALL BE THE SAME TAX YEAR. A CREDIT ASSIGNMENT
25 BASED ON A CREDIT FOR A COMPONENT OF A MULTIPHASE PROJECT THAT IS
26 COMPLETED BEFORE JANUARY 1, 2006 SHALL BE MADE UNDER SECTION
27 38G(18). A CREDIT ASSIGNMENT BASED ON A CREDIT FOR A COMPONENT OF A

1 MULTIPHASE PROJECT THAT IS COMPLETED ON OR AFTER JANUARY 1, 2006
2 MAY BE MADE UNDER THIS SECTION. IN ADDITION TO ALL OTHER PROCEDURES
3 AND REQUIREMENTS UNDER THIS SECTION, THE FOLLOWING APPLY IF THE
4 TOTAL OF ALL CREDITS FOR A PROJECT IS MORE THAN \$10,000,000.00 BUT
5 \$30,000,000.00 OR LESS:

6 (A) THE CREDIT SHALL BE ASSIGNED BASED ON THE SCHEDULE
7 CONTAINED IN THE CERTIFICATE OF COMPLETION.

8 (B) IF THE QUALIFIED TAXPAYER ASSIGNS ALL OR A PORTION OF THE
9 CREDIT AMOUNT, THE QUALIFIED TAXPAYER SHALL ASSIGN THE ANNUAL
10 CREDIT AMOUNT FOR EACH TAX YEAR SEPARATELY.

11 (C) MORE THAN 1 ANNUAL CREDIT AMOUNT MAY BE ASSIGNED TO ANY 1
12 ASSIGNEE AND THE QUALIFIED TAXPAYER MAY ASSIGN ALL OR A PORTION OF
13 EACH ANNUAL CREDIT AMOUNT TO ANY ASSIGNEE.

14 (2) AS USED IN THIS SECTION, "MULTIPHASE PROJECT", "PROJECT",
15 AND "QUALIFIED TAXPAYER" MEAN THOSE TERMS AS DEFINED IN SECTION
16 38G.

17 Enacting section 1. Section 35e as added to the single
18 business tax act, 1975 PA 228, by 2006 PA 113, is repealed.

19 Enacting section 2. This amendatory act is intended to be
20 retroactive and effective January 1, 2006.