

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 599

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

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
8 ISSUED. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND
9 ASSIGN THE REMAINING CREDIT AMOUNT. IF THE QUALIFIED TAXPAYER BOTH

1 CLAIMS AND ASSIGNS PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER
2 SHALL CLAIM THE PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A
3 CERTIFICATE OF COMPLETION IS ISSUED PURSUANT TO SECTION 38G. AN
4 ASSIGNEE MAY SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A
5 CREDIT ASSIGNED UNDER THIS SECTION TO 1 OR MORE ASSIGNEES. AN
6 ASSIGNMENT UNDER THIS SECTION OF A CREDIT ALLOWED UNDER SECTION
7 38G(2), (3), OR (33) SHALL NOT BE MADE AFTER 10 YEARS AFTER THE
8 FIRST TAX YEAR IN WHICH THAT CREDIT UNDER SECTION 38G(2), (3), OR
9 (33) MAY BE CLAIMED. THE CREDIT ASSIGNMENT OR A SUBSEQUENT
10 REASSIGNMENT UNDER THIS SECTION SHALL BE MADE ON A FORM PRESCRIBED
11 BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY. THE QUALIFIED TAXPAYER
12 SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE MICHIGAN
13 ECONOMIC GROWTH AUTHORITY IN THE TAX YEAR IN WHICH AN ASSIGNMENT OR
14 REASSIGNMENT IS MADE. AN ASSIGNEE OR SUBSEQUENT REASSIGNEE SHALL
15 ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN
16 REQUIRED UNDER THIS ACT, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT
17 OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS
18 A CREDIT, WHICH SHALL BE THE SAME TAX YEAR. A CREDIT ASSIGNMENT
19 BASED ON A CREDIT FOR A COMPONENT OF A MULTIPHASE PROJECT THAT IS
20 COMPLETED BEFORE JANUARY 1, 2006 SHALL BE MADE UNDER SECTION
21 38G(18). A CREDIT ASSIGNMENT BASED ON A CREDIT FOR A COMPONENT OF A
22 MULTIPHASE PROJECT THAT IS COMPLETED ON OR AFTER JANUARY 1, 2006
23 MAY BE MADE UNDER THIS SECTION. IN ADDITION TO ALL OTHER PROCEDURES
24 AND REQUIREMENTS UNDER THIS SECTION, THE FOLLOWING APPLY IF THE
25 TOTAL OF ALL CREDITS FOR A PROJECT IS MORE THAN \$10,000,000.00 BUT
26 \$30,000,000.00 OR LESS:

27 (A) THE CREDIT SHALL BE ASSIGNED BASED ON THE SCHEDULE

1 CONTAINED IN THE CERTIFICATE OF COMPLETION.

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

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

8 (2) AS USED IN THIS SECTION, "MULTIPHASE PROJECT", "PROJECT",
9 AND "QUALIFIED TAXPAYER" MEAN THOSE TERMS AS DEFINED IN SECTION
10 38G.

11 Enacting section 1. This amendatory act does not take effect
12 unless all of the following bills of the 93rd Legislature are
13 enacted into law:

14 (a) House Bill No. 4733.

15 (b) House Bill No. 4734.