

SENATE BILL No. 357

March 24, 2005, Introduced by Senators STAMAS, VAN WOERKOM, ALLEN, McMANUS, GILBERT, BIRKHOLZ, BARCIA, JELINEK, HARDIMAN, BROWN, BISHOP, SANBORN, GARCIA, GOSCHKA, HAMMERSTROM, SIKKEMA, KUIPERS and JOHNSON and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35C. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2005, AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED UNDER THIS ACT EQUAL TO 10% OF QUALIFIED RAILROAD TRACK
4 MAINTENANCE EXPENDITURES PAID OR INCURRED BY THE ELIGIBLE TAXPAYER
5 DURING THE TAX YEAR.

6 (2) THE CREDIT ALLOWED UNDER SUBSECTION (1) SHALL NOT EXCEED
7 \$1,000.00 MULTIPLIED BY THE NUMBER OF MILES OF RAILROAD TRACK OWNED
8 OR LEASED BY THE ELIGIBLE TAXPAYER DURING THE TAX YEAR. A MILE OF
9 RAILROAD TRACK MAY BE USED TO CALCULATE THE CREDIT UNDER THIS

1 SECTION BY A PERSON OTHER THAN THE OWNER OF THE MILE OF RAILROAD
2 TRACK ONLY IF THE MILE IS ASSIGNED TO THE PERSON BY THE OWNER FOR
3 PURPOSES OF CALCULATING A CREDIT UNDER THIS SECTION. A MILE OF
4 RAILROAD TRACK ASSIGNED TO AN ELIGIBLE TAXPAYER THAT IS NOT THE
5 OWNER OF THE MILE OF RAILROAD TRACK FOR PURPOSES OF CALCULATING A
6 CREDIT UNDER THIS SECTION SHALL NOT BE USED TO CALCULATE A CREDIT
7 UNDER THIS SECTION BY ANY OTHER TAXPAYER.

8 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
9 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
10 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
11 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
12 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
13 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
14 OCCURS FIRST.

15 (4) AS USED IN THIS SECTION, "ELIGIBLE TAXPAYER" AND
16 "QUALIFIED RAILROAD TRACK MAINTENANCE EXPENDITURES" MEAN THOSE
17 TERMS AS DEFINED IN 26 USC 45G.