

**SUBSTITUTE FOR  
HOUSE BILL NO. 5151**

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
by amending section 53 (MCL 208.53).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 53. (1) Sales, other than sales of tangible personal  
2 property, are in this state if:
- 3       (a) The business activity is performed in this state.
- 4       (b) The business activity is performed both in and outside  
5 this state and, based on costs of performance, a greater proportion  
6 of the business activity is performed in this state than is  
7 performed outside this state.
- 8       (c) Receipts derived from services performed for planning,  
9 design, or construction activities within this state shall be  
10 deemed Michigan receipts.

1           (2) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1), FOR TAX  
2 YEARS BEGINNING ON AND AFTER NOVEMBER 1, 2005, RECEIPTS DERIVED BY  
3 A MORTGAGE COMPANY FROM THE ORIGINATION OR SALE OF A LOAN SECURED  
4 BY RESIDENTIAL REAL PROPERTY IS DEEMED A SALE IN THIS STATE ONLY IF  
5 1 OR MORE OF THE FOLLOWING APPLY:

6           (A) THE REAL PROPERTY IS LOCATED IN THIS STATE.

7           (B) THE REAL PROPERTY IS LOCATED BOTH WITHIN THIS STATE AND 1  
8 OR MORE OTHER STATES AND MORE THAN 50% OF THE FAIR MARKET VALUE OF  
9 THE REAL PROPERTY IS LOCATED WITHIN THIS STATE.

10          (C) MORE THAN 50% OF THE FAIR MARKET VALUE OF THE REAL  
11 PROPERTY IS NOT LOCATED IN ANY 1 STATE AND THE BORROWER IS LOCATED  
12 IN THIS STATE.

13          (3) FOR PURPOSES OF SUBSECTION (2), A BORROWER IS CONSIDERED  
14 LOCATED IN THIS STATE IF THE BORROWER'S BILLING ADDRESS IS IN THIS  
15 STATE.

16          (4) FOR PURPOSES OF SUBSECTION (2), "MORTGAGE COMPANY" MEANS A  
17 PERSON WHO HAS GREATER THAN 70% OF ITS REVENUES, IN THE ORDINARY  
18 COURSE OF BUSINESS, FROM THE ORIGINATION, SALE, OR SERVICING OF  
19 RESIDENTIAL MORTGAGE LOANS.