

HOUSE BILL No. 5940

April 8, 2008, Introduced by Reps. Angerer, Bieda and Condino and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 503 (MCL 208.1503).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 503. If a taxpayer's tax year to which this act applies
2 ends before December 31, 2008 or if a taxpayer's first tax year is
3 less than 12 months, then **FOR THE 2008 TAX YEAR** a taxpayer subject
4 to this act may elect to compute the tax imposed by this act for
5 the portion of that tax year to which this act applies or that
6 first tax year in accordance with 1 of the following methods:

7 (a) The tax may be computed as if this act were effective on
8 the first day of the taxpayer's annual accounting period and the
9 amount computed shall be multiplied by a fraction, the numerator of

1 which is the number of months **IN THE TAXPAYER'S ANNUAL ACCOUNTING**
2 **PERIOD THAT FALL WITHIN THE 2008 CALENDAR YEAR OR THE NUMBER OF**
3 **MONTHS** in the taxpayer's first tax year **THAT FALL WITHIN THE 2008**
4 **CALENDAR YEAR** and the denominator of which is ~~12~~**THE NUMBER OF**
5 **MONTHS IN THE TAXPAYER'S ANNUAL ACCOUNTING PERIOD.**

6 (b) The tax may be computed by determining the business income
7 tax base and modified gross receipts tax base in the first tax year
8 in accordance with an accounting method satisfactory to the
9 department that reflects the actual business income tax base and
10 modified gross receipts tax base attributable to the period.