

SENATE BILL No. 1062

January 24, 2008, Introduced by Senators SANBORN and WHITMER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 235 (MCL 208.1235).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 235. (1) ~~Each~~ **EXCEPT AS OTHERWISE PROVIDED UNDER**
2 **SUBSECTION (4), EACH** insurance company shall pay a tax determined
3 under this chapter.

4 (2) The tax imposed by this chapter on each insurance company
5 shall be a tax equal to 1.25% of gross direct premiums written on
6 property or risk located or residing in this state. Direct premiums
7 do not include any of the following:

- 8 (a) Premiums on policies not taken.
- 9 (b) Returned premiums on canceled policies.
- 10 (c) Receipts from the sale of annuities.

1 (d) Receipts on reinsurance premiums if the tax has been paid
2 on the original premiums.

3 (e) The first \$190,000,000.00 of disability insurance premiums
4 written in this state, other than credit insurance and disability
5 income insurance premiums, of each insurance company subject to tax
6 under this chapter. This exemption shall be reduced by \$2.00 for
7 each \$1.00 by which the insurance company's gross direct premiums
8 from insurance carrier services in this state and outside this
9 state exceed \$280,000,000.00.

10 (3) The tax calculated under this chapter is in lieu of all
11 other privilege or franchise fees or taxes imposed by this act or
12 any other law of this state, except taxes on real and personal
13 property, taxes collected under the general sales tax act, 1933 PA
14 167, MCL 205.1 to 205.78, and taxes collected under the use tax
15 act, 1937 PA 94, MCL 205.91 to 205.111, and except as otherwise
16 provided in the insurance code of 1956, 1956 PA 218, MCL 500.100 to
17 500.8302.

18 **(4) THE TAX IMPOSED AND LEVIED UNDER THIS ACT DOES NOT APPLY**
19 **TO AN INSURANCE COMPANY AUTHORIZED UNDER CHAPTER 46 OR 47 OF THE**
20 **INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.4601 TO 500.4673, AND**
21 **MCL 500.4701 TO 500.4747.**

22 Enacting section 1. This amendatory act does not take effect
23 unless Senate Bill No. 1061

24 of the 94th Legislature is enacted into law.