

HOUSE BILL No. 5151

August 30, 2007, Introduced by Reps. Bieda and Condino and referred to the Committee on Tax Policy.

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 REAL PROPERTY IS NOT LOCATED IN ANY 1
11 STATE AND THE BORROWER IS LOCATED IN THIS STATE.

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

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