

SENATE BILL No. 873

November 1, 2007, Introduced by Senator SCOTT and referred to the Committee on Finance.

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~~ **AN** insurance company shall pay a ~~THE~~ tax
2 ~~determined~~ **LEVIED AND IMPOSED** under this chapter.

3 (2) ~~The~~ **AN INSURANCE COMPANY SHALL PAY A** tax ~~imposed by this~~
4 ~~chapter on each insurance company shall be a tax~~ equal to 1.25% of
5 gross direct premiums written on property or risk located or
6 residing in this state. Direct premiums do not include any of the
7 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~~ **LEVIED AND IMPOSED** under this chapter
11 is in lieu of all other privilege or franchise fees or taxes
12 imposed by this act or any other law of this state, except taxes on
13 real and personal property, taxes collected under the general sales
14 tax act, 1933 PA 167, MCL 205.1 to 205.78, and taxes collected
15 under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and
16 except as otherwise provided in the insurance code of 1956, 1956 PA
17 218, MCL 500.100 to 500.8302.

18 Enacting section 1. This amendatory act takes effect January
19 1, 2008 and applies to all business activity occurring after
20 December 31, 2007.

21 Enacting section 2. This amendatory act does not take effect
22 unless all of the following bills of the 94th Legislature are
23 enacted into law:

24 (a) Senate Bill No. 874.

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26 (b) Senate Bill No. 875.

1 (c) Senate Bill No. 877.

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3 (d) Senate Bill No. 870.

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5 (e) Senate Bill No. 871.

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