

# SENATE BILL No. 1230

March 20, 2008, Introduced by Senators GILBERT, JANSEN, CASSIS and McMANUS and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
by amending section 281 (MCL 208.1281), as added by 2007 PA 145.

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

1           Sec. 281. (1) In addition to the taxes imposed and levied  
2 under this act and subject to subsections (2), (3), ~~and~~(4), **AND**  
3 (5), to meet deficiencies in state funds an annual surcharge is  
4 imposed and levied on each taxpayer equal to the following  
5 percentage of the taxpayer's tax liability under this act after  
6 allocation or apportionment to this state under this act but before  
7 calculation of the various credits available under this act:

8           (a) For each taxpayer other than a person subject to the tax  
9 imposed and levied under chapter 2B, 21.99%.

1 (b) For a person subject to the tax imposed and levied under  
2 chapter 2B:

3 (i) For tax years ending after December 31, 2007 and before  
4 January 1, 2009, 27.7%.

5 (ii) For tax years ending after December 31, 2008, 23.4%.

6 (2) If the Michigan personal income growth exceeds 0% in any 1  
7 of the 3 calendar years immediately preceding the 2017 calendar  
8 year, then the surcharge under subsection (1) shall not be levied  
9 and imposed on or after January 1, 2017. For purposes of this  
10 subsection, "Michigan personal income" means personal income for  
11 this state as defined by the bureau of economic analysis of the  
12 United States department of commerce or its successor.

13 (3) IF THE AMOUNT OF THE TOTAL NET CASH PAYMENTS COLLECTED  
14 FROM THE TAX IMPOSED UNDER THIS ACT, EXCLUDING ANY REVENUE  
15 COLLECTED PURSUANT TO CHAPTER 2A, EXCEEDS THE ESTIMATED AMOUNT OF  
16 REVENUE EXPECTED BY \$100,000,000.00 OR MORE FOR 2 CONSECUTIVE  
17 YEARS, THEN THE SURCHARGE RATES UNDER SUBSECTION (1) SHALL BE  
18 REDUCED BY A RATE THAT WOULD REDUCE THE AMOUNT OF NET CASH PAYMENTS  
19 EXPECTED TO BE COLLECTED IN THE IMMEDIATELY SUCCEEDING YEAR BY AN  
20 AMOUNT EQUAL TO THE AVERAGE OF THE EXCESS REVENUE COLLECTED IN THE  
21 2 IMMEDIATELY PRECEDING YEARS. THE RATE REDUCTIONS SHALL BE  
22 EFFECTIVE JANUARY 1 IMMEDIATELY FOLLOWING THE END OF THE STATE  
23 FISCAL YEARS THAT THE AMOUNT EXCEEDED THE ESTIMATES BY  
24 \$100,000,000.00 OR MORE, AND THE ADJUSTMENT SHALL REMAIN IN EFFECT  
25 FOR EACH SUBSEQUENT YEAR UNLESS FURTHER ADJUSTMENT IS NECESSARY IN  
26 ACCORDANCE WITH THIS SUBSECTION OR THE SURCHARGE IS ELIMINATED  
27 UNDER SUBSECTION (2), WHICHEVER OCCURS FIRST.

1           (4) ~~(3)~~—The amount of the surcharge imposed and levied on any  
2 taxpayer under subsection (1)(a) shall not exceed \$6,000,000.00 for  
3 any single tax year.

4           (5) ~~(4)~~—The surcharge imposed and levied under this section  
5 does not apply to either of the following:

6           (a) A person subject to the tax imposed and levied under  
7 chapter 2A.

8           (b) A person subject to the tax imposed and levied under  
9 chapter 2B that is authorized to exercise only trust powers.

10          (6) ~~(5)~~—The surcharge imposed and levied under this section  
11 shall constitute a part of the tax imposed under this act and shall  
12 be administered, collected, and enforced as provided under this  
13 act.

14          Enacting section 1. This amendatory act is retroactive and  
15 effective for taxes levied on and after October 1, 2008 and applies  
16 to all business activity occurring after December 31, 2007.