

Act No. 88  
Public Acts of 2008  
Approved by the Governor  
April 8, 2008  
Filed with the Secretary of State  
April 8, 2008  
EFFECTIVE DATE: April 8, 2008

**STATE OF MICHIGAN  
94TH LEGISLATURE  
REGULAR SESSION OF 2008**

**Introduced by Reps. Clemente, Griffin, Coulouris, Robert Jones, Meisner, Pastor, Hammel, Vagnozzi and Huizenga**

# **ENROLLED HOUSE BILL No. 5858**

AN ACT to amend 2007 PA 36, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations," (MCL 208.1101 to 208.1601) by adding section 431c.

*The People of the State of Michigan enact:*

Sec. 431c. (1) Except as otherwise provided under this section, a qualified taxpayer may claim a credit against the tax imposed by this act equal to the sum of up to 5.0% of the taxable value of each qualified supplier's or customer's taxable property that is located within the 10-mile radius of the qualified taxpayer and that is subject to collection of general ad valorem taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, for a period of up to 5 years, as determined by the Michigan economic growth authority. If a qualified supplier's or customer's taxable property is subject to the specific tax levied under 1974 PA 198, MCL 207.551 to 207.572, the qualified taxpayer may only include up to 2.5% of the taxable value of that property in the calculation of the amount of the credit allowed under this section. The Michigan economic growth authority shall not designate more than 5 taxpayers as an anchor company in each calendar year and shall not approve more than 5 new credits in each calendar year under this subsection. A taxpayer has 5 years from the date on which the taxpayer is designated as an anchor company to seek certification as a qualified taxpayer for each qualified supplier or customer for which a credit is sought under this section.

(2) A taxpayer shall not claim a credit under this section unless the Michigan economic growth authority has issued a certificate to the qualified taxpayer. However, a credit shall not be provided for a tax year prior to the tax year during which the certification is issued. The qualified taxpayer shall attach the certificate to the annual return filed under this act on which the credit under this section is claimed. The certificate required by this subsection shall state all of the following:

- (a) The taxpayer is a qualified taxpayer and the date on which the taxpayer was designated as an anchor company.
- (b) The amount of the credit under this section for the taxpayer for the designated tax year.
- (c) The taxpayer's federal employer identification number or the Michigan department of treasury number assigned to the taxpayer.

(3) A qualified taxpayer that claims a credit under this section and subsequently fails to meet the requirements of this section or any other conditions established by the Michigan economic growth authority in order to obtain a certificate for which the credit was claimed under this section may, as to be determined by the Michigan economic growth authority, have its credit reduced or terminated or have a percentage of the credit amount previously claimed

under this section added back to the tax liability of the qualified taxpayer in the year that the qualified taxpayer fails to comply with this section or the agreement.

(4) If the credit allowed under this subsection exceeds the liability of the qualified taxpayer for the tax year, the qualified taxpayer may elect to have that portion that exceeds the tax liability of the qualified taxpayer refunded or to have the excess carried forward to offset tax liability in subsequent years for 5 years or until it is used up, whichever occurs first.

(5) As used in this section:

(a) "Anchor company" means a qualified high-technology business that is an integral part of a high-technology activity and that has the ability or potential ability to influence business decisions and site location of qualified suppliers and customers.

(b) "Business", "qualified high-technology activity", and "qualified high-technology business" mean those terms as defined in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(c) "Full-time job" means a job performed by an individual for 35 hours or more each week and whose income and social security taxes are withheld by 1 or more of the following:

(i) A qualified supplier or customer.

(ii) An employee leasing company on behalf of a qualified supplier or customer.

(iii) A professional employer organization on behalf of a qualified supplier or customer.

(d) "Michigan economic growth authority" means the Michigan economic growth authority created in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(e) "Qualified new job" means a full-time job created by a qualified supplier or customer at a facility or facilities that is in excess of the number of full-time jobs a qualified supplier or customer maintained in this state or facility prior to the expansion or location, as determined by the authority.

(f) "Qualified supplier or customer" means a business that opens a new location in this state, a business that locates in this state, or an existing business located in this state that expands its business within the last year as a result of an anchor company and satisfies, as certified by the Michigan economic growth authority, each of the following:

(i) Has financial transactions with the anchor company.

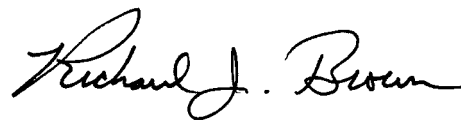
(ii) Sells a critical or unique component or technology necessary for the anchor company to market a finished product or buys a critical or unique component from the anchor company.

(iii) Has created more than 10 qualified new jobs.

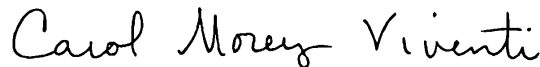
(iv) Has made an investment of at least \$1,000,000.00 as certified by the Michigan economic growth authority.

(g) "Qualified taxpayer" means a taxpayer that was designated by the Michigan economic growth authority as an anchor company within the last 5 years and that has influenced 1 or more qualified suppliers or customers to open, locate, or expand their business and conduct business activity within a 10-mile radius of the anchor company.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved \_\_\_\_\_

\_\_\_\_\_  
Governor