

Act No. 221  
Public Acts of 2008  
Approved by the Governor  
July 15, 2008  
Filed with the Secretary of State  
July 16, 2008  
EFFECTIVE DATE: Ineffective (section previously repealed)

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

**Introduced by Reps. Bieda, Condino, Accavitti, Bauer, Brown, Caul, Clack, Clemente, Constan, Corriveau, Coulouris, Espinoza, Gonzales, Hammel, Hammon, Horn, Johnson, Rick Jones, Robert Jones, LaJoy, David Law, Kathleen Law, LeBlanc, Lemmons, Lindberg, Marleau, Mayes, Melton, Moolenaar, Moore, Nofs, Opsommer, Pastor, Pearce, Polidori, Proos, Sak, Scott, Sheen, Simpson, Tobocman, Vagnozzi and Valentine**

# **ENROLLED HOUSE BILL No. 5151**

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," by amending section 53 (MCL 208.53).

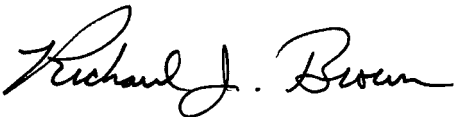
*The People of the State of Michigan enact:*

Sec. 53. (1) Sales, other than sales of tangible personal property, are in this state if:

- (a) The business activity is performed in this state.
  - (b) The business activity is performed both in and outside this state and, based on costs of performance, a greater proportion of the business activity is performed in this state than is performed outside this state.
  - (c) Receipts derived from services performed for planning, design, or construction activities within this state shall be deemed Michigan receipts.
- (2) Notwithstanding the provisions of subsection (1), for tax years beginning on and after November 1, 2005, receipts derived by a mortgage company from the origination or sale of a loan secured by residential real property is deemed a sale in this state only if 1 or more of the following apply:
- (a) The real property is located in this state.
  - (b) The real property is located both within this state and 1 or more other states and more than 50% of the fair market value of the real property is located within this state.
  - (c) More than 50% of the fair market value of the real property is not located in any 1 state and the borrower is located in this state.
  - (3) For purposes of subsection (2), a borrower is considered located in this state if the borrower's billing address is in this state.

(4) For purposes of subsection (2), "mortgage company" means a person who has greater than 70% of its revenues, in the ordinary course of business, from the origination, sale, or servicing of residential mortgage loans.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved \_\_\_\_\_

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Governor