

HOUSE BILL No. 4740

March 31, 2009, Introduced by Reps. Melton and Coulouris and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 463.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 463. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2008, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO 100% OF THE TAXPAYER'S TOTAL TAX LIABILITY IMPOSED
4 UNDER THIS ACT THAT IS ATTRIBUTABLE TO A QUALIFIED REAL ESTATE
5 ENTITY.

6 (2) FOR PURPOSES OF THIS SECTION, THE TAX LIABILITY
7 ATTRIBUTABLE TO A QUALIFIED REAL ESTATE ENTITY SHALL BE MEASURED BY
8 THE REDUCTION IN THE TAXPAYER'S TAX LIABILITY WHICH WOULD RESULT IF
9 THE QUALIFIED REAL ESTATE ENTITY DID NOT EXIST.

10 (3) AS USED IN THIS SECTION:

1 (A) "QUALIFIED REAL ESTATE" MEANS REAL ESTATE THAT IS LOCATED
2 OUTSIDE THIS STATE AND THAT IS ACQUIRED PRIOR TO THE EFFECTIVE DATE
3 OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

4 (B) "QUALIFIED REAL ESTATE ENTITY" MEANS A PERSON THAT IS
5 DIRECTLY OR INDIRECTLY OWNED BY LESS THAN 6 INDIVIDUALS, THAT
6 GENERATES INCOME EXCLUSIVELY FROM THE MANAGEMENT, OPERATION, OR
7 SALE OF QUALIFIED REAL ESTATE, AND THAT HAS LESS THAN \$10,000.00 OF
8 BUSINESS INCOME FROM WORKING CAPITAL THAT IS RELATED TO THE
9 MANAGEMENT, OPERATION, OR SALE OF QUALIFIED REAL ESTATE.