

HOUSE BILL No. 6118

May 4, 2010, Introduced by Reps. McMillin, Amash, Genetski, Agema, DeShazor, Haveman, Paul Scott, Green, Meekhof, Meltzer, Walsh, Daley, Crawford, Lund, Rogers, Kowall and Booher and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending sections 450 and 450a (MCL 208.1450 and 208.1450a),
section 450 as added by 2007 PA 214 and section 450a as added by
2007 PA 208.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 450. (1) Subject to section 450a, for tax years that
2 begin on or after January 1, 2008 and end before January 1, ~~2016~~
3 2011, a taxpayer that is engaged in research and development of a
4 qualified technology may claim a credit against the tax imposed by
5 this act equal to 3.9% of the compensation as defined in section
6 107 for services performed in a qualified facility, paid to the
7 employees at the qualified facility in the tax year, if the

1 taxpayer has entered into an agreement before April 1, 2007 with
2 the Michigan economic growth authority that provides all of the
3 following:

4 (a) The type and number of jobs at the qualified facility to
5 which the agreement applies.

6 (b) The type of work to be performed by the employees
7 performing the jobs provided under subdivision (a) by the taxpayer.

8 (c) Any other terms and conditions that the Michigan economic
9 growth authority considers to be in the public interest.

10 (2) If the credit allowed under this section exceeds the tax
11 liability of the taxpayer for the tax year, that portion that
12 exceeds the tax liability shall be refundable.

13 (3) The maximum amount of the credit allowed under this
14 section that any 1 taxpayer may claim shall not exceed
15 \$2,000,000.00 in a single tax year.

16 (4) As used in this section:

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

20 (b) "Motor vehicle" means a motor vehicle as defined in
21 section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33,
22 that is designed as a passenger vehicle, or sport utility vehicle,
23 but does not include a motor home, bus, truck other than a pickup
24 truck or van, or a vehicle designed to travel on less than 4
25 wheels.

26 (c) "Qualified city" means a city that meets both of the
27 following criteria:

1 (i) Has a population of not less than 80,000 and not more than
2 82,000 as designated by the United States bureau of the census in
3 the 2000 census.

4 (ii) Is located in a county that has a population of not less
5 than 1,000,000 and not more than 1,300,000 as designated by the
6 United States bureau of the census in the 2000 census.

7 (d) "Qualified facility" means a leased facility in a
8 qualified city used for the research and development of a qualified
9 technology.

10 (e) "Qualified technology" means a hybrid system the primary
11 purpose of which is the propulsion of a motor vehicle.

12 (f) "Research and development" means "qualified research" as
13 that term is defined in section 41(d) of the internal revenue code.

14 Sec. 450a. (1) A taxpayer that qualified to claim the credit
15 under section 34 of former 1975 PA 228 may claim the credit under
16 section 450 for the total number of years designated in the
17 agreement, reduced by the number of years the taxpayer claimed the
18 credit under section 34 of former 1975 PA 228, or until January 1,
19 ~~2016~~, **2011**, whichever occurs first.

20 (2) A taxpayer that claims a credit under section 450 is not
21 prohibited from claiming a credit under section 405. However, the
22 taxpayer shall not claim a credit under section 450 and section 405
23 based on the same research and development.

24 Enacting section 1. This amendatory act does not take effect
25 unless all of the following bills of the 95th Legislature are
26 enacted into law:

27 (a) House Bill No. 5249.

1 (b) Senate Bill No.____ or House Bill No. 6104(request no.
2 04275'09).

3 (c) Senate Bill No.____ or House Bill No. 6103(request no.
4 05669'09).

5 (d) Senate Bill No.____ or House Bill No. 6105(request no.
6 05670'09).

7 (e) Senate Bill No.____ or House Bill No. 6106(request no.
8 05671'09).

9 (f) Senate Bill No.____ or House Bill No. 6107(request no.
10 05672'09).

11 (g) Senate Bill No.____ or House Bill No. 6112(request no.
12 05673'09).

13 (h) Senate Bill No.____ or House Bill No. 6113(request no.
14 05675'09*).

15 (i) Senate Bill No.____ or House Bill No. 6109(request no.
16 05676'09).

17 (j) Senate Bill No.____ or House Bill No. 6110(request no.
18 05677'09).

19 (k) Senate Bill No.____ or House Bill No. 6116(request no.
20 05678'09).

21 (l) Senate Bill No.____ or House Bill No. 6114(request no.
22 05679'09).

23 (m) Senate Bill No.____ or House Bill No. 6117(request no.
24 05680'09).

25 (n) Senate Bill No.____ or House Bill No. 6108(request no.
26 05681'09).

27 (o) Senate Bill No.____ or House Bill No. 6119(request no.

1 05930'10).

2 (p) Senate Bill No.____ or House Bill No. 6111(request no.
3 05931'10).

4 (q) Senate Bill No.____ or House Bill No. 6115(request no.
5 05932'10).