

# HOUSE BILL No. 6235

June 2, 2010, Introduced by Rep. LeBlanc and referred to the Committee on Tourism,  
Outdoor Recreation and Natural Resources.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
by amending section 409 (MCL 208.1409), as amended by 2008 PA 572.

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

1           Sec. 409. (1) For tax years that begin on or after January 1,  
2 2008 and end before January 1, 2013, an eligible taxpayer may claim  
3 a credit against the tax imposed by this act equal to the amount of  
4 capital expenditures in this state on infield renovation,  
5 grandstand and infrastructure upgrades, and any other construction  
6 and upgrades, subject to the following:

7           (a) For the 2008 through 2010 tax years, the credit shall not  
8 exceed \$2,100,000.00 or the taxpayer's tax liability under this  
9 act, whichever is less.

1 (b) For the 2011 **THROUGH THE 2012** tax year, ~~YEARS~~, the credit  
2 shall not exceed \$1,580,000.00 or the taxpayer's tax liability  
3 under this act, whichever is less.

4 ~~—— (c) For the 2012 tax year, the credit shall not exceed~~  
5 ~~\$1,050,000.00 or the taxpayer's tax liability under this act,~~  
6 ~~whichever is less.~~

7 (2) **SUBJECT TO THE LIMITATION PROVIDED UNDER THIS SUBSECTION,**  
8 **FOR TAX YEARS THAT BEGIN ON OR AFTER JANUARY 1, 2013 AND END BEFORE**  
9 **JANUARY 1, 2017, AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST**  
10 **THE TAX IMPOSED BY THIS ACT EQUAL TO THE AMOUNT OF CAPITAL**  
11 **EXPENDITURES IN THIS STATE ON INFIELD RENOVATION, GRANDSTAND AND**  
12 **INFRASTRUCTURE UPGRADES, AND ANY OTHER CONSTRUCTION AND UPGRADES.**  
13 **THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL NOT EXCEED**  
14 **\$1,580,000.00 OR THE TAXPAYER'S TAX LIABILITY UNDER THIS ACT BEFORE**  
15 **THE CALCULATION OF THE CREDIT ALLOWED UNDER SUBSECTION (3),**  
16 **WHICHEVER IS LESS.**

17 (3) ~~(2)~~—In addition to the credit allowed under subsection  
18 (1), for the 2009 tax year an eligible taxpayer may claim a credit  
19 against the tax imposed by this act equal to 50% of the amount of  
20 necessary expenditures in this state incurred including any  
21 professional fees, additional police officers, and any traffic  
22 management devices, to ensure traffic and pedestrian safety while  
23 hosting the requisite motorsports events each calendar year. For  
24 the 2010 tax year and each tax year after 2010, an eligible  
25 taxpayer may claim a credit against the tax imposed by this act  
26 equal to all of the necessary expenditures in this state incurred  
27 including any professional fees, additional police officers, and

1 any traffic management devices, to ensure traffic and pedestrian  
2 safety while hosting the requisite motorsports events each calendar  
3 year. If the amount of the credit allowed under this subsection  
4 exceeds the tax liability of the taxpayer for the tax year that  
5 excess shall be refunded.

6 (4) ~~(3) An~~ TO BE ELIGIBLE TO CLAIM THE CREDIT ALLOWED UNDER  
7 SUBSECTION (1), AN eligible taxpayer shall expend at least  
8 \$30,000,000.00 on capital expenditures before January 1, 2011. TO  
9 BE ELIGIBLE TO CLAIM THE CREDIT ALLOWED UNDER SUBSECTION (2), AN  
10 ELIGIBLE TAXPAYER SHALL, IN ADDITION TO THE EXPENDITURES REQUIRED  
11 TO CLAIM THE CREDIT UNDER SUBSECTION (1), EXPEND, AT A MINIMUM, AN  
12 ADDITIONAL \$32,000,000.00 ON CAPITAL EXPENDITURES AS FOLLOWS:

13 (A) AT LEAST \$10,000,000.00 AFTER DECEMBER 31, 2010 AND BEFORE  
14 JANUARY 1, 2013.

15 (B) INCLUDING THE AMOUNT EXPENDED UNDER SUBDIVISION (A), A  
16 CUMULATIVE TOTAL OF AT LEAST \$32,000,000.00 AFTER DECEMBER 31, 2010  
17 AND BEFORE JANUARY 1, 2016.

18 (4) As used in this section:

19 (a) "Eligible taxpayer" means any of the following:

20 (i) A person who owns and operates a motorsports entertainment  
21 complex and has at least 2 days of motorsports events each calendar  
22 year which shall be comparable to NASCAR Nextel cup events held in  
23 2007 or their successor events.

24 (ii) A person who is the lessee and operator of a motorsports  
25 entertainment complex or the lessee of the land on which a  
26 motorsports entertainment complex is located and operates that  
27 motorsports entertainment complex.

1           (iii) A person who operates and maintains a motorsports  
2 entertainment complex under an operation and management agreement.

3           (b) "Motorsports entertainment complex" means a closed-course  
4 motorsports facility, and its ancillary grounds and facilities,  
5 that satisfies all of the following:

6           (i) Has at least 70,000 fixed seats for race patrons.

7           (ii) Has at least 6 scheduled days of motorsports events each  
8 calendar year.

9           (iii) Serves food and beverages at the motorsports entertainment  
10 complex during motorsports events each calendar year through  
11 concession outlets, which are staffed by individuals who represent  
12 or are members of 1 or more nonprofit civic or charitable  
13 organizations that directly benefit from the concession outlets'  
14 sales.

15           (iv) Engages in tourism promotion.

16           (v) Has permanent exhibitions of motorsports history, events,  
17 or vehicles within the motorsports entertainment complex.

18           (c) "Motorsports event" means a motorsports race and its  
19 ancillary activities that have been sanctioned by a sanctioning  
20 body.

21           (d) "Sanctioning body" means the American motorcycle  
22 association (AMA); auto racing club of America (ARCA); championship  
23 auto racing teams (CART); grand American road racing association  
24 (GRAND AM); Indy racing league (IRL); national association for  
25 stock car auto racing (NASCAR); national hot rod association  
26 (NHRA); professional sports car racing (PSR); sports car club of  
27 America (SCCA); United States auto club (USAC); Michigan state

1 promoters association; or any successor organization or any other  
2 nationally or internationally recognized governing body of  
3 motorsports that establishes an annual schedule of motorsports  
4 events and grants rights to conduct the events, that has  
5 established and administers rules and regulations governing all  
6 participants involved in the events and all persons conducting the  
7 events, and that requires certain liability assurances, including  
8 insurance.