

HOUSE BILL No. 4964

September 13, 2011, Introduced by Rep. Nesbitt and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 605 (MCL 206.605), as added by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 605. (1) "Corporation" means a ~~taxpayer~~ **PERSON** that is
2 required or has elected to file as a C corporation as defined under
3 section 1361(a)(2) and section 7701(a)(3) of the internal revenue
4 code. Corporation does not include an insurance company or a
5 financial institution.

6 (2) "Department" means the department of treasury.

7 (3) "Disregarded entity" means a qualified subchapter S
8 subsidiary under section 1361(b)(3) of the internal revenue code or
9 a single member limited liability company that has not elected to
10 be classified as a corporation under 26 CFR 301.7701.

1 (4) "Employee" means an employee as defined in section 3401(c)
2 of the internal revenue code. A person from whom an employer is
3 required to withhold for federal income tax purposes is prima facie
4 considered an employee.

5 (5) "Employer" means an employer as defined in section 3401(d)
6 of the internal revenue code. A person required to withhold for
7 federal income tax purposes is prima facie considered an employer.

8 Enacting section 1. This amendatory act takes effect January
9 1, 2012.