

HOUSE BILL No. 4365

March 19, 2015, Introduced by Rep. Iden and referred to the Committee on Commerce and Trade.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 419 (MCL 208.1419).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 419. (1) For tax years that begin after December 31,
2 2008, a taxpayer that has been issued a tax voucher certificate
3 under section 23 of the Michigan early stage venture investment act
4 of 2003, 2003 PA 296, MCL 125.2253, or any taxpayer to which all or
5 a portion of a tax voucher is transferred pursuant to the Michigan
6 early stage venture investment act of 2003, 2003 PA 296, MCL
7 125.2231 to 125.2263, may use the tax voucher to pay a liability of
8 the taxpayer due under this act.

9 (2) The total amount of all tax voucher certificates that
10 shall be approved under this section, section 37e of former 1975 PA

1 228, and the Michigan early stage venture investment act of 2003,
2 2003 PA 296, MCL 125.2231 to 125.2263, shall not exceed an amount
3 sufficient to allow the Michigan early stage venture investment
4 corporation to raise \$450,000,000.00 for the purposes authorized
5 under the Michigan early stage venture investment act of 2003, 2003
6 PA 296, MCL 125.2231 to 125.2263. The total amount of all tax
7 voucher certificates under this section and section 37e of former
8 1975 PA 228 shall not exceed ~~\$600,000,000.00~~ **\$450,000,000.00**.

9 (3) The department shall not approve a tax voucher certificate
10 under section 23(2) of the Michigan early stage venture investment
11 act of 2003, 2003 PA 296, MCL 125.2253, after December 31, 2015.

12 (4) For tax voucher certificates approved under subsection
13 (2), the amount of tax voucher certificates approved by the
14 department for use in any tax year shall not exceed 25% of the
15 total amount of all tax voucher certificates approved by the
16 department.

17 (5) Investors shall apply to the Michigan early stage venture
18 investment corporation for approval of tax voucher certificates at
19 the time and in the manner required under the Michigan early stage
20 venture investment act of 2003, 2003 PA 296, MCL 125.2231 to
21 125.2263.

22 (6) The Michigan early stage venture investment corporation
23 shall determine which investors are eligible for tax vouchers and
24 the amount of the tax vouchers allowed to each investor as provided
25 in the Michigan early stage venture investment act of 2003, 2003 PA
26 296, MCL 125.2231 to 125.2263.

27 (7) The tax voucher certificate, and any completed transfer

1 form that was issued pursuant to the Michigan early stage venture
2 investment act of 2003, 2003 PA 296, MCL 125.2231 to 125.2263,
3 shall be attached to the taxpayer's annual return under this act.
4 The department may prescribe and implement alternative methods of
5 reporting and recording ownership, transfer, and utilization of tax
6 voucher certificates that are not inconsistent with this act.

7 (8) A tax voucher shall be used to pay a liability of the
8 taxpayer due under this act only in a tax year that begins after
9 December 31, 2008. The amount of the tax voucher that may be used
10 to pay a liability of the taxpayer due under this act in any tax
11 year shall not exceed the lesser of the following:

12 (a) The amount of the tax voucher stated on the tax voucher
13 certificate held by the taxpayer.

14 (b) The amount authorized to be used in the tax year under the
15 terms of the tax voucher certificate.

16 (c) The taxpayer's liability due under this act for the tax
17 year for which the tax voucher is to be applied.

18 (9) The department shall administer transfers of tax voucher
19 certificates or the transfer of the right to be issued and receive
20 a tax voucher certificate as provided in the Michigan early stage
21 venture investment act of 2003, 2003 PA 296, MCL 125.2231 to
22 125.2263, and shall take any action necessary to enforce and
23 effectuate the permissible issuance and use of tax voucher
24 certificates in a manner authorized under this section and the
25 Michigan early stage venture investment act of 2003, 2003 PA 296,
26 MCL 125.2231 to 125.2263.

27 (10) If the amount of a tax voucher certificate held by a

1 taxpayer or transferee exceeds the amount the taxpayer or
2 transferee may use under subsection (8)(b) or (c) in a tax year,
3 that excess may be used by the taxpayer or transferee to pay,
4 subject to the limitations of subsection (8), any future liability
5 of the taxpayer or transferee under this act.

6 (11) If a taxpayer requests, the department shall issue
7 separate replacement tax voucher certificates, or replacement
8 approval letters, evidencing the right of the holder to be issued
9 and receive a tax voucher certificate in an aggregate amount equal
10 to the amount of a tax voucher certificate or an approval letter
11 presented by a taxpayer. Replacement tax voucher certificates may
12 be used, and replacement approval letters may be issued, to
13 evidence the right to be issued and receive a tax voucher
14 certificate that will be used for 1 or more of the following
15 purposes:

16 (a) To pay any liability of the taxpayer under this act to the
17 extent permitted in any tax year by subsection (8).

18 (b) To pay any liability of the taxpayer under and to the
19 extent allowed under section 270 of the income tax act of 1967,
20 1967 PA 281, MCL 206.270.

21 (c) To be transferred to a taxpayer that may use the
22 replacement tax voucher certificate to pay any liability under this
23 act to the extent allowed under subsection (8).

24 (d) To be transferred to a taxpayer that may use the tax
25 voucher certificate to pay any liability under and to the extent
26 allowed under section 270 of the income tax act of 1967, 1967 PA
27 281, MCL 206.270.

1 (12) As used in this section:

2 (a) "Investor" means that term as defined in the Michigan
3 early stage venture investment act of 2003, 2003 PA 296, MCL
4 125.2231 to 125.2263.

5 (b) "Certificate" means the certificate issued under section
6 23 of the Michigan early stage venture investment act of 2003, 2003
7 PA 296, MCL 125.2253.

8 (c) "Transferee" means a taxpayer to whom a tax voucher
9 certificate has been transferred under section 23 of the Michigan
10 early stage venture investment act of 2003, 2003 PA 296, MCL
11 125.2253, and this section.