

**INCOME TAX ACT OF 1967 (EXCERPT)**  
**Act 281 of 1967**

**206.12 Definitions; F to N.**

Sec. 12. (1) "Flow-through entity" means an S corporation, partnership, limited partnership, limited liability partnership, or limited liability company. Flow-through entity does not include a publicly traded partnership as that term is defined in section 7704 of the internal revenue code that has equity securities registered with the securities and exchange commission under section 12 of title I of the securities exchange act of 1934, 15 USC 78l, or a person treated as a corporation under section 339.

(2) "Gross income" means gross income as defined in the internal revenue code.

(3) "Internal revenue code" means the United States internal revenue code of 1986 in effect on January 1, 2018 or at the option of the taxpayer, in effect for the tax year.

(4) "Member of a flow-through entity" means a shareholder of an S corporation; a partner in a partnership or limited partnership; or a member of a limited liability company.

(5) "Nonresident member" means any of the following that is a member of a flow-through entity:

(a) An individual who is not domiciled in this state.

(b) A nonresident estate or trust.

(c) A flow-through entity with a nonresident member.

**History:** 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1969, Act 332, Imd. Eff. Nov. 4, 1969;—Am. 1970, Act 140, Imd. Eff. Aug. 1, 1970;—Am. 1971, Act 16, Imd. Eff. Apr. 28, 1971;—Am. 1976, Act 434, Imd. Eff. Jan. 11, 1977;—Am. 1980, Act 250, Imd. Eff. July 28, 1980;—Am. 1982, Act 387, Imd. Eff. Dec. 28, 1982;—Am. 1984, Act 283, Imd. Eff. Dec. 20, 1984;—Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987;—Am. 1996, Act 484, Eff. Jan. 1, 1997;—Am. 2003, Act 45, Eff. Oct. 1, 2003;—Am. 2018, Act 38, Imd. Eff. Feb. 28, 2018;—Am. 2024, Act 177, Imd. Eff. Dec. 23, 2024.