

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

206.699 Classification as disregarded entity for federal income tax purposes; treatment of certain conversions into a limited liability company.

Sec. 699. Notwithstanding any other provision of this act, both of the following apply:

(a) A person that is a disregarded entity for federal income tax purposes under the internal revenue code is classified as a disregarded entity for purposes of parts 2 and 3 of this act.

(b) A person that converts into a limited liability company under section 7 of 1883 PA 129, MCL 484.7, is treated as a corporation for purposes of parts 2 and 3 of this act unless that converted entity is a disregarded entity for federal income tax filing purposes under the internal revenue code and its regarded owner is treated as a corporation for state and federal income tax purposes.

History: Add. 2011, Act 309, Eff. Jan. 1, 2012;—Am. 2024, Act 177, Imd. Eff. Dec. 23, 2024.