

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

206.805 Definitions; F to M.

Sec. 805. (1) "Federal taxable income" means taxable income as defined in section 63 of the internal revenue code without the deductions described under section 703(a)(2) of the internal revenue code. For the purposes of this part in computing federal taxable income, an S corporation shall be treated as a corporation under section 1361(a)(2) of the internal revenue code and a partnership shall be treated as an association taxable as a corporation pursuant to an election under 26 CFR 301.7701-3(a).

(2) "Financial institution" means that term as defined in section 651.

(3) "Flow-through entity" means an entity that for the applicable tax year is treated as an S corporation or a partnership under the internal revenue code for federal income tax purposes. Flow-through entity does not include a publicly traded partnership, any entity disregarded or treated as a corporation under section 845, or any person subject to the tax imposed under chapter 13.

(4) "Insurance company" means that term as defined in section 607.

(5) "Internal revenue code" means the United States internal revenue code of 1986 in effect on January 1, 2021 or, at the option of the taxpayer, in effect for the tax year.

(6) "Member", when used in reference to a flow-through entity, means a shareholder of an S corporation or a partner or member in a partnership.

History: Add. 2021, Act 135, Imd. Eff. Dec. 21, 2021;—Am. 2024, Act 177, Imd. Eff. Dec. 23, 2024.

Compiler's note: Enacting section 1 of Act 135 of 2021 provides:

"Enacting section 1. This amendatory act is retroactive and intended to apply retroactively effective for tax years beginning on and after January 1, 2021."