

MICHIGAN BUSINESS TAX ACT (EXCERPT)
Act 36 of 2007

***** 208.1267 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT
BEGIN AFTER DECEMBER 31, 2031 *****

208.1267 Financial institution; tax base; allocation within state; apportionment within and outside state; circumstances; gross business factor; election to continue apportionment of tax within and outside state.

Sec. 267. (1) Except as otherwise provided under this chapter, the tax base of a financial institution whose business activities are confined solely to this state shall be allocated to this state. Except as otherwise provided under subsection (5), the tax base of a financial institution whose business activities are subject to tax both within and outside this state shall be apportioned to this state by multiplying the tax base by the gross business factor.

(2) A financial institution whose business activities are subject to tax both within and outside of this state is subject to tax in another state in either of the following circumstances:

(a) The financial institution is subject to a business privilege tax, a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax or a tax of the type imposed under this act in that state.

(b) That state has jurisdiction to subject the financial institution to 1 or more of the taxes listed in subdivision (a) regardless of whether that state does or does not subject the financial institution to that tax.

(3) Except as otherwise provided in subsection (4), the gross business factor is a fraction, the numerator of which is the total gross business of the financial institution in this state during the tax year and the denominator of which is the total gross business of the financial institution everywhere during the tax year.

(4) Except as otherwise provided under this subsection, for a financial institution that is included in a unitary business group, gross business includes gross business in this state of every financial institution included in the unitary business group without regard to whether the financial institution has nexus in this state. Gross business between financial institutions included in a unitary business group must be eliminated in calculating the gross business factor.

(5) Notwithstanding subsection (1), a taxpayer that restructures as a financial institution on or after January 1, 2008 and that prior to that restructuring qualified to apportion its tax base based on its sales factor calculated under section 307 may elect to continue to have the tax base from its business activities that are subject to tax both within and outside this state apportioned to this state by multiplying its tax base by its sales factor calculated in accordance with section 307.

History: 2007, Act 36, Eff. Jan. 1, 2008;—Am. 2009, Act 157, Imd. Eff. Dec. 10, 2009.

Compiler's note: Enacting section 1 of Act 36 of 2007 provides:

"Enacting section 1. This act takes effect January 1, 2008 and applies to all business activity occurring after December 31, 2007."

Popular name: MBT