

MICHIGAN BUSINESS TAX ACT (EXCERPT)

Act 36 of 2007

CHAPTER 5

***** 208.1500 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1500 Taxpayer with certificated credit or unused carryforward.

Sec. 500. (1) Except as otherwise provided in this section, a taxpayer described under section 117(5)(a) or under section 680 of the income tax act of 1967, 1967 PA 281, MCL 206.680, that voluntarily elects for the taxpayer's first tax year ending after December 31, 2011 to file a return and pay the tax imposed by this act in order to claim a certificated credit or any unused carryforward for that tax year shall continue to file a return and pay the tax imposed under this act for each tax year thereafter until that certificated credit and any carryforward from that credit is used up. Except as otherwise provided under subsection (7), if a person awarded a certificated credit is a member of a unitary business group, the unitary business group, and not the member, shall file a return and pay the tax, if any, under this act and claim the certificated credit. Except as otherwise provided under subsection (7), if the taxpayer that elects to file a return and pay the tax imposed by this act in order to claim a certificated credit or any unused carryforward of that credit for that tax year is a unitary business group, the return filed by the unitary business group shall include all persons included in the unitary business group regardless of whether that person is incorporated. Notwithstanding any other provision of this act or part 2 or 3 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.713, in the case of a flow-through entity that has made an election under this section, each member of the flow-through entity that does not file as a member of a unitary business group with the flow-through entity shall disregard all items attributable to that member's ownership interest in the electing flow-through entity for all purposes of part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, and the electing flow-through entity shall not be subject to the tax withholding provisions of section 703(4) of the income tax act of 1967, 1967 PA 281, MCL 206.703, with respect to its members that are corporations.

(2) A taxpayer with a certificated credit under section 435 or 437, which certificated credit or any unused carryforward may be claimed in a tax year ending after December 31, 2011 may elect to pay the tax imposed by this act in the tax year in which that certificated credit may be claimed in lieu of the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699. If a person with a certificated credit under section 435 or 437 that elects under this subsection to pay the tax imposed by this act is a member of a unitary business group, the unitary business group, and not the member, shall file a return and pay the tax, if any, under this act and claim that certificated credit.

(3) A taxpayer with a certificated credit under section 435 or 437 that elects under subsection (2) after the taxpayer's first tax year ending after December 31, 2011 to pay the tax imposed by this act may claim any other certificated credit that taxpayer would be eligible for in the year in which the taxpayer claims a certificated credit under section 435 or 437, but not any certificated credit that would have accrued in any year before the election under subsection (2). A taxpayer with a certificated credit under section 437(10) that elects under subsection (2) after the taxpayer's first tax year after December 31, 2011 to pay the tax imposed by this act shall continue to file a return and pay the tax imposed under this act for each tax year thereafter until the certificated credit under section 437(10) is complete and that credit is used up. When the taxpayer's certificated credit under section 435 or 437 that was the basis for the taxpayer's election under subsection (2) is extinguished, the taxpayer is no longer eligible to pay the tax under this act and may no longer claim any other remaining certificated credits.

(4) For tax years that begin after December 31, 2011, a taxpayer's tax liability under this act, after application of all credits, deductions, and exemptions, shall be the greater of the following:

(a) The amount of the taxpayer's tax liability under this act, notwithstanding the calculation required under this section, after application of all credits, deductions, and exemptions and any carryforward of any unused credit as prescribed in this act.

(b) An amount equal to the taxpayer's tax liability as computed pursuant to part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, after application of all credits, deductions, and exemptions under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, as if the taxpayer were subject to the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, less the amount of the taxpayer's certificated credits, including any unused carryforward of a certificated credit, that the taxpayer was allowed to claim for the tax year under this act. However, in calculating the amount under this subdivision, the following apply:

(i) A taxpayer described under section 117(5)(a) shall not include a deduction for any business loss under section 623(4) of the income tax act of 1967, 1967 PA 281, MCL 206.623, for any prior year in which the taxpayer was not subject to the tax levied under this act.

(ii) A taxpayer shall not include any nonrefundable certificated credit to the extent that credit exceeds the taxpayer's tax liability. Any nonrefundable credit remaining after application of the limitation in this subparagraph may be carried forward.

(iii) For a taxpayer that is a partnership or subchapter S corporation, business income includes payments and items of income and expense that are attributable to business activity of the partnership or S corporation and separately reported to the members.

(5) If the result of the calculation under subsection (4) is negative, the taxpayer shall be refunded that amount.

(6) A taxpayer with a certificated credit under subsection (7) or section 435 or 437 that elects to pay the tax under this act may elect to claim a refundable credit as provided under section 510. If a refundable credit is claimed under section 510, that credit shall not be used to calculate a taxpayer's tax liability under subsection (4).

(7) Subject to the limitations provided under this subsection, a taxpayer that is a member of a unitary business group and that has a certificated credit under sections 431 and 434(2) and (5) is not required to file a combined return as a unitary business group and may elect to file a separate return and pay the tax, if any, under this act and claim the certificated credit under section 434(5) as provided under this subsection. A taxpayer that elects to file a separate return as provided under this subsection and redeem a voucher certificate under a voucher agreement entered pursuant to this subsection and proceeding from an agreement entered pursuant to section 434(5) for an amount equal to the employment expenses and related engineering product development and administrative costs for the support of integrated battery cells, anodes and cathodes, and cell assembly shall create an additional 100 new jobs in this state, for a total of 400 new jobs, and the maximum allowable amount redeemed under this subsection or under section 510 shall not exceed \$25,000,000.00 per year for no more than 3 years. A taxpayer that elects to file as provided under this subsection and redeem a voucher certificate under a voucher agreement entered pursuant to this subsection and proceeding from an agreement entered pursuant to section 434(5) shall not claim a credit for any agreement entered pursuant to section 431 or 434(2).

(8) A taxpayer with a certificated credit granted under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, which certificated credit had been claimed in a previous tax year under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, but that certificated credit is no longer eligible to be claimed under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, as a result of the death occurring after December 31, 2011 of an individual farmland owner, or an individual considered the farmland owner under section 36109(1)(d) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, and the transfer of the ownership of the farmland property subject to the farmland development rights agreement upon which that certificated credit is based into an estate or trust, may elect to pay the tax imposed by this act in the first tax year in which that certificated credit may be claimed under this act. A taxpayer that elects under this subsection to pay the tax imposed by this act shall continue to file a return and pay the tax imposed under this act for each tax year thereafter until the certificated credit granted under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, is complete and that credit is used up, or the taxpayer no longer owns the property subject to the agreement, whichever occurs first. When the taxpayer's certificated credit under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, that was the basis for the taxpayer's election under this subsection is extinguished, or the taxpayer no longer owns that property under the agreement, whichever occurs first, the taxpayer is no longer eligible to pay the tax under this act and may no longer claim any other remaining certificated credits.

(9) A taxpayer described under section 117(5)(c) may, for the first tax year ending after October 1, 2018 only, elect to file the return and pay the tax imposed by this act in lieu of the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699. However, if the first tax year ending after October 1, 2018 ends before the effective date of the amendatory act that added this subsection and the taxpayer has already filed a return for that tax year under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, then the taxpayer may, if within the statute of limitations period prescribed under section 27a of 1941 PA 122, MCL 205.27a, elect to file the return and pay the tax imposed by this act in lieu of the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, for that tax year by filing an original return as provided under section 505 and filing the necessary amended return under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699. The department may require documentation from the taxpayer that elects to file a return under this subsection to support the

acquisition of the certificated credit that is the basis for the election. The terms, conditions, and amount of the certificated credit that is the basis for the election shall continue and shall not be expanded in any manner that would increase the total amount of that certificated credit as a result of an election made under this subsection. A taxpayer that elects pursuant to this subsection to pay the tax imposed by this act may claim any other certificated credit that the person from whom the certificated credit that was the basis for the election was transferred would have been eligible to claim in the same tax year in which the taxpayer claims the certificated credit under section 431 that was the basis for the election, but shall not claim any certificated credit that the acquiring taxpayer would have accrued in any tax year before the election under this subsection or any other certificated credit for which an election could have been made by the acquiring taxpayer under subsection (1) for the acquiring taxpayer's first tax year ending after December 31, 2011. When the taxpayer's certificated credit under section 431 that was the basis for the taxpayer's election under this subsection is extinguished, the taxpayer is no longer eligible to pay the tax under this act and may no longer claim any other remaining certificated credits.

History: Add. 2011, Act 39, Imd. Eff. May 25, 2011;—Am. 2011, Act 209, Eff. Jan. 1, 2012;—Am. 2011, Act 292, Eff. Jan. 1, 2012;—Am. 2013, Act 233, Imd. Eff. Dec. 26, 2013;—Am. 2016, Act 426, Eff. Mar. 29, 2017;—Am. 2019, Act 90, Imd. Eff. Oct. 10, 2019.

Compiler's note: Enacting section 1 of Act 39 of 2011 provides:

"Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 2 of Act 292 of 2011 provides:

"Enacting section 2. It is the intent of the legislature that the \$75,000,000.00 savings realized in reduced credits allowed under section 434(5) and (6) of the Michigan business tax act, 2007 PA 36, MCL 208.1434, as a result of this amendatory act shall be passed on and utilized to replace any revenue lost due to any personal property tax reform."

In subsection (4)(b)(iii), the reference to "S corporation" evidently should read "subchapter S corporation".

Enacting section 1 of Act 233 of 2013 provides:

"Enacting section 1. This amendatory act is retroactive and effective for tax years that begin after December 31, 2011."

Enacting section 1 of Act 426 of 2016 provides:

"Enacting section 1. This amendatory act is retroactive and effective for tax years beginning after December 31, 2011."

Enacting section 2 of Act 90 of 2019 provides:

"Enacting section 2. This amendatory act is retroactive and effective for tax years beginning after December 31, 2017."

Popular name: MBT

***** 208.1501 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1501 Estimated return and payment.

Sec. 501. (1) A taxpayer that reasonably expects liability for the tax year to exceed \$800.00 shall file an estimated return and pay an estimated tax for each quarter of the taxpayer's tax year.

(2) For taxpayers on a calendar year basis, the quarterly returns and estimated payments shall be made by April 15, July 15, October 15, and January 15. Taxpayers not on a calendar year basis shall file quarterly returns and make estimated payments on the appropriate due date which in the taxpayer's fiscal year corresponds to the calendar year.

(3) Except as otherwise provided under this subsection, the estimated payment made with each quarterly return of each tax year shall be for the estimated business income tax base and modified gross receipts tax base for the quarter or 25% of the estimated annual liability. The second, third, and fourth estimated payments in each tax year shall include adjustments, if necessary, to correct underpayments or overpayments from previous quarterly payments in the tax year to a revised estimate of the annual tax liability. For a taxpayer that calculates and pays estimated payments for federal income tax purposes pursuant to section 6655(e) of the internal revenue code, that taxpayer may use the same methodology as used to calculate the annualized income installment or the adjusted seasonal installment, whichever is used as the basis for the federal estimated payment, to calculate the estimated payments required each quarter under this section. A penalty for underpayment of an estimated tax under this act shall not be assessed for a tax year that ends before December 1, 2009 if the taxpayer paid 75% of the tax due under this act for the tax year.

(4) The interest provided by this act shall not be assessed if any of the following occur:

(a) If the sum of the estimated payments equals at least 85% of the liability and the amount of each estimated payment reasonably approximates the tax liability incurred during the quarter for which the estimated payment was made.

(b) For the 2009 tax year and each subsequent tax year, if the preceding year's tax liability under this act was \$20,000.00 or less and if the taxpayer submitted 4 equal installments the sum of which equals the immediately preceding tax year's tax liability.

(5) Each estimated return shall be made on a form prescribed by the department and shall include an

estimate of the annual tax liability and other information required by the state treasurer. The form prescribed under this subsection may be combined with any other tax reporting form prescribed by the department.

(6) With respect to a taxpayer filing an estimated tax return for the taxpayer's first tax year of less than 12 months, the amounts paid with each return shall be proportional to the number of payments made in the first tax year.

(7) Payments made under this section shall be a credit against the payment required with the annual tax return required in section 505.

(8) If the department considers it necessary to insure payment of the tax or to provide a more efficient administration of the tax, the department may require filing of the returns and payment of the tax for other than quarterly or annual periods.

(9) A taxpayer that elects under the internal revenue code to file an annual federal income tax return by March 1 in the year following the taxpayer's tax year and does not make a quarterly estimate or payment, or does not make a quarterly estimate or payment and files a tentative annual return with a tentative payment by January 15 in the year following the taxpayer's tax year and a final return by April 15 in the year following the taxpayer's tax year, has the same option in filing the estimated and annual returns required by this act.

History: 2007, Act 36, Eff. Jan. 1, 2008;—2009, Act 8, Eff. Jan. 1, 2008;—2009, Act 9, Eff. Jan. 1, 2008.

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."

Enacting section 1 of Act 8 of 2009 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for tax years beginning after December 31, 2007."

Enacting section 1 of Act 9 of 2009 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for tax years beginning after December 31, 2007."

Popular name: MBT

***** 208.1503 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1503 Computation of tax for portion of year.

Sec. 503. (1) If a taxpayer's tax year to which this act applies ends before December 31, 2008 or if a taxpayer's first tax year is less than 12 months then a taxpayer subject to this act may elect to compute the tax imposed by this act for the portion of that tax year to which this act applies or that first tax year in accordance with 1 of the following methods:

(a) The tax may be computed as if this act were effective on the first day of the taxpayer's annual accounting period and the amount computed shall be multiplied by a fraction, the numerator of which is the number of months in the taxpayer's first tax year and the denominator of which is the number of months in the taxpayer's annual accounting period.

(b) The tax may be computed by determining the business income tax base and modified gross receipts tax base in the first tax year in accordance with an accounting method satisfactory to the department that reflects the actual business income tax base and modified gross receipts tax base attributable to the period.

(2) The method chosen by a taxpayer under this section that is subject to the tax imposed under this act and the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.713, for a portion of the same tax year shall be the same as the method used by that same taxpayer when computing the tax imposed under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.713, for the other portion of that same tax year.

(3) A taxpayer that is subject to the tax imposed under this act and required to file 2 separate short period annual returns encompassing a fractional part of the taxpayer's same fiscal tax year shall elect to compute the tax imposed by this act for each short period return for each respective portion of the same fiscal tax year using the same method as provided under this section. A taxpayer that files 2 separate short period annual returns for a fractional part of the same year as provided under this subsection and section 117(4) shall calculate and claim its credits based on actions taken or payments made during the period represented on each short period return of those respective parts of the same tax year.

History: 2007, Act 36, Eff. Jan. 1, 2008;—Am. 2009, Act 185, Eff. Jan. 1, 2009;—Am. 2011, Act 209, Eff. Jan. 1, 2012.

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."

Enacting section 1 of Act 185 of 2009 provides:

"Enacting section 1. This amendatory act is effective for tax years ending after December 31, 2008."

Popular name: MBT

***** 208.1505 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT

BEGIN AFTER DECEMBER 31, 2031 *****

208.1505 Annual or final return; date of filing; extension.

Sec. 505. (1) An annual or final return shall be filed with the department in the form and content prescribed by the department by the last day of the fourth month after the end of the taxpayer's tax year. Any final liability shall be remitted by the last day of the fourth month after the end of the taxpayer's tax year. A taxpayer, other than a taxpayer subject to the tax imposed under chapter 2A or 2B, whose apportioned or allocated gross receipts are less than \$350,000.00 does not need to file a return or pay the tax imposed under this act.

(2) If a taxpayer has apportioned or allocated gross receipts for a tax year of less than 12 months, the amount in subsection (1) shall be multiplied by a fraction, the numerator of which is the number of months in the tax year and the denominator of which is 12.

(3) The department, upon application of the taxpayer and for good cause shown, may extend the date for filing the annual return. Interest at the rate under section 23(2) of 1941 PA 122, MCL 205.23, shall be added to the amount of the tax unpaid for the period of the extension. The treasurer shall require with the application payment of the estimated tax liability unpaid for the tax period covered by the extension.

(4) If a taxpayer is granted an extension of time within which to file the federal income tax return for any tax year, the filing of a copy of the request for extension together with a tentative return and payment of an estimated tax with the department by the due date provided in subsection (1) shall automatically extend the due date for the filing of an annual or final return under this act until the last day of the eighth month following the original due date of the return. Interest at the rate under section 23(2) of 1941 PA 122, MCL 205.23, shall be added to the amount of the tax unpaid for the period of the extension.

History: 2007, Act 36, Eff. Jan. 1, 2008;—Am. 2011, Act 305, Imd. Eff. Dec. 27, 2011.

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."

Enacting section 1 of Act 39 of 2011 provides:

"Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 1 of Act 305 of 2011 provides:

"Enacting section 1. This amendatory act is curative and intended to clarify the original intent of 2007 PA 36. This amendatory act is retroactive and effective for taxes levied on and after January 1, 2008."

Popular name: MBT

***** 208.1507 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1507 Return; filing; true and correct copy; amended return.

Sec. 507. (1) A taxpayer required to file a return under this act may be required to furnish a true and correct copy of any return or portion of any return filed under the provisions of the internal revenue code.

(2) A taxpayer shall file an amended return with the department showing any alteration in or modification of a federal income tax return that affects its business income tax base or modified gross receipts tax base under this act. The amended return shall be filed within 120 days after the final determination by the internal revenue service.

History: 2007, Act 36, Eff. Jan. 1, 2008.

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

***** 208.1508 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1508 Overpayment of tax; filing claim for refund; limitation; assessment; appropriation.

Sec. 508. (1) If, as a result of the changes enacted by the amendatory act that added this section, a taxpayer has an overpayment of tax for any tax year beginning after December 31, 2009 through the tax year beginning after December 31, 2013, the taxpayer shall, in accordance with sections 27a and 30 of 1941 PA 122, MCL 205.27a and 205.30, file a claim for a refund, on or after January 1, 2015 but no later than December 31, 2015, using a form, process, or format as prescribed by the department. A claim filed pursuant to this section is limited to the determination of any tax liability and any overpayment resulting from the changes enacted by the amendatory act that added this section. Interest shall be calculated in accordance with section 23 of 1941

PA 122, MCL 205.23. Any refund paid under this section shall be paid in equal annual payments over 6 years beginning in 2016.

(2) Notwithstanding section 21(6) and (7) of 1941 PA 122, MCL 205.21, and the statute of limitations period prescribed under section 27a(2) of 1941 PA 122, MCL 205.27a, the department may assess a taxpayer that claimed a refund pursuant to this section for any amount determined after audit or investigation to have exceeded the proper and correct amount of overpayment resulting from the changes enacted by the amendatory act that added this section. The assessment issued under this subsection shall not be issued more than 4 years after the date the taxpayer filed its claim under this section and shall be limited to the changes enacted by the amendatory act that added this section.

(3) There is appropriated to the department for the 2014-2015 state fiscal year the sum of \$1,000,000.00 to begin implementing the requirements of the amendatory act that added this section. Any portion of this amount under this section that is not expended in the 2014-2015 state fiscal year shall not lapse to the general fund but shall be carried forward in a work project account that is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, for the following state fiscal year.

History: Add. 2014, Act 282, Imd. Eff. Sept. 12, 2014.

Compiler's note: Enacting section 1 of Act 282 of 2014 provides:

"Enacting section 1. 1969 PA 343, MCL 205.581 to 205.589, is repealed retroactively and effective beginning January 1, 2008. It is the intent of the legislature that the repeal of 1969 PA 343, MCL 205.581 to 205.589, is to express the original intent of the legislature regarding the application of section 301 of the Michigan business tax act, 2007 PA 36, MCL 208.1301, and the intended effect of that section to eliminate the election provision included within section 1 of 1969 PA 343, MCL 205.581, and that the 2011 amendatory act that amended section 1 of 1969 PA 343, MCL 205.581, was to further express the original intent of the legislature regarding the application of section 301 of the Michigan business tax act, 2007 PA 36, MCL 208.1301, and to clarify that the election provision included within section 1 of 1969 PA 343, MCL 205.581, is not available under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.713."

Enacting section 2 of Act 282 of 2014 provides:

"Enacting section 2. This amendatory act is retroactive and is effective for tax years beginning on and after January 1, 2010."

***** 208.1509 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1509 Information return required by internal revenue code; filing required.

Sec. 509. (1) At the request of the department, a taxpayer required by the internal revenue code to file or submit an information return of income paid to others shall, to the extent the information is applicable to residents of this state, at the same time file or submit the information in the form and content prescribed to the department.

(2) At the request of the department, a voluntary association, joint venture, partnership, estate, or trust shall file a copy of any tax return or portion of any tax return that was filed under the provisions of the internal revenue code. The department may prescribe alternate forms of returns.

History: 2007, Act 36, Eff. Jan. 1, 2008.

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

***** 208.1510 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1510 Issuance of certificate of completion, assignment certificate, or component completion certificate or certificate of completed rehabilitation, assignment certificate, or reassignment certificate; refundable credit; refundable voucher certificate; assignment or reassignment of tax credit.

Sec. 510. (1) If a certificate of completion, assignment certificate, or component completion certificate is issued for a tax year beginning after December 31, 2011 under section 437 to a taxpayer or if a certificate of completed rehabilitation, assignment certificate, or reassignment certificate is issued for a tax year beginning after December 31, 2011 under section 435 to a taxpayer, beginning on and after January 1, 2012 the taxpayer may elect to claim a refundable credit for 90% of the amount of that certificate. The claim may be filed before the end of the tax year, and the department shall pay the refundable credit within 60 days after receiving the claim. A taxpayer claiming a credit under this section shall forgo the remaining 10% of the credit.

(2) If section 437 or 435 provides that payment of a credit will be made over a period of years or limits the annual amount of a payment, a refundable credit may only be claimed under subsection (1) for the amount payable in the year claimed. A taxpayer may elect to claim a refundable credit under subsection (1) in each

year that a credit is payable under section 437 or 435. Notwithstanding the foregoing, a taxpayer may elect under subsection (1) to claim the balance of a refundable credit awarded under section 435(20), but the amount of that refund shall be equal to 86% of the amount of the credit and the taxpayer shall forgo the remaining 14% of the credit.

(3) Notwithstanding the provisions of section 437(18) and section 435(9), for tax years ending after December 31, 2011, a taxpayer may not claim a refundable credit under section 437(18) or section 435(9) and may only claim a refundable credit under sections 437 and 435 as provided in subsection (1) or (2).

(4) If a voucher certificate is issued for a tax year beginning after December 31, 2011 under section 500(7) to a taxpayer, beginning on and after January 1, 2012 the taxpayer may elect to redeem a refundable voucher certificate subject only to the annual limitations and conditions provided under section 500(7). The claim may be filed before the end of the tax year, and the department shall pay the refundable certificate within 60 days after receiving the claim.

(5) Notwithstanding section 435(8), for projects for which a certificate of completed rehabilitation is issued for a tax year beginning after December 31, 2009 and before January 1, 2011, an assignee of a credit allowed under section 435(20) available to be claimed for a tax year beginning after December 31, 2011 may assign all or any portion of that credit to 1 or more assignees. Any assignee may subsequently reassign that credit or any portion of that credit to 1 or more assignees. An assignment or reassignment of a credit under this subsection can be made any time prior to December 31, 2012.

History: Add. 2011, Act 39, Imd. Eff. May 25, 2011;—Am. 2011, Act 77, Eff. May 26, 2011;—Am. 2011, Act 292, Eff. Jan. 1, 2012;—Am. 2012, Act 475, Imd. Eff. Dec. 27, 2012.

Compiler's note: Enacting section 1 of Act 39 of 2011 provides:

"Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 1 of Act 77 of 2011 provides:

"Enacting section 1. Sections 409, 455, and 510 of the Michigan business tax act, 2007 PA 36, MCL 208.1409, 208.1455, and 208.1510, as amended by this amendatory act, are retroactive and effective May 26, 2011. This provision is curative and is intended to express the original intent of the legislature concerning the application of 2011 PA 39."

Enacting section 2 of Act 292 of 2011 provides:

"Enacting section 2. It is the intent of the legislature that the \$75,000,000.00 savings realized in reduced credits allowed under section 434(5) and (6) of the Michigan business tax act, 2007 PA 36, MCL 208.1434, as a result of this amendatory act shall be passed on and utilized to replace any revenue lost due to any personal property tax reform."

Popular name: MBT

***** 208.1511 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1511 Unitary business group; filing.

Sec. 511. Except as otherwise provided under section 500(7), a unitary business group shall file a combined return that includes each United States person, other than a foreign operating entity, that is included in the unitary business group. Each United States person included in a unitary business group or included in a combined return shall be treated as a single person and all transactions between those persons included in the unitary business group shall be eliminated from the business income tax base, modified gross receipts tax base, and the apportionment formula under this act. If a United States person included in a unitary business group or included in a combined return is subject to the tax under chapter 2A or 2B, any business income attributable to that person shall be eliminated from the business income tax base, any modified gross receipts attributable to that person shall be eliminated from the modified gross receipts tax base, and any sales attributable to that person shall be eliminated from the apportionment formula under this act.

History: 2007, Act 36, Eff. Jan. 1, 2008;—Am. 2011, Act 292, Eff. Jan. 1, 2012.

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."

Enacting section 1 of Act 39 of 2011 provides:

"Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 2 of Act 292 of 2011 provides:

"Enacting section 2. It is the intent of the legislature that the \$75,000,000.00 savings realized in reduced credits allowed under section 434(5) and (6) of the Michigan business tax act, 2007 PA 36, MCL 208.1434, as a result of this amendatory act shall be passed on and utilized to replace any revenue lost due to any personal property tax reform."

Popular name: MBT

***** 208.1512 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT

BEGIN AFTER DECEMBER 31, 2031 *****

208.1512 Disregarded entity; classification; filing amended return; treatment as person separate from owner.

Sec. 512. (1) Notwithstanding any other provision of this act except as provided under subsections (2) and (3), a person that is a disregarded entity for federal income tax purposes under the internal revenue code shall be classified as a disregarded entity for purposes of this act.

(2) Notwithstanding subsection (1), a person that is a disregarded entity for federal income tax purposes under the internal revenue code that prior to January 1, 2012 in an originally filed return was treated as a person separate from its owner or prior to December 1, 2011 in an amended return was treated as a person separate from its owner under this act for a tax year that begins after December 31, 2007, is not required to file an amended return with its owner as a disregarded entity.

(3) Notwithstanding subsection (1), a person that is a disregarded entity for federal income tax purposes under the internal revenue code that prior to January 1, 2012 in an originally filed return was treated as a person separate from its owner or prior to December 1, 2011 in an amended return was treated as a person separate from its owner under this act for its first tax year that begins after December 31, 2009, may be treated as a person separate from its owner under this act for its tax year that begins after December 31, 2010 and ends before January 1, 2012.

History: Am. 2011, Act 305, Imd. Eff. Dec. 27, 2011.

Compiler's note: Enacting section 1 of Act 39 of 2011 provides:

"Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 1 of Act 305 of 2011 provides:

"Enacting section 1. This amendatory act is curative and intended to clarify the original intent of 2007 PA 36. This amendatory act is retroactive and effective for taxes levied on and after January 1, 2008."

Popular name: MBT

***** 208.1513 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1513 Administration of tax; rules; forms; preparation and publication of statistics.

Sec. 513. (1) The tax imposed by this act shall be administered by the department of treasury pursuant to 1941 PA 122, MCL 205.1 to 205.31, and this act. If a conflict exists between 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of this act apply.

(2) The department shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) The department shall prescribe forms for use by taxpayers and may promulgate rules in conformity with this act for the maintenance by taxpayers of records, books, and accounts, and for the computation of the tax, the manner and time of changing or electing accounting methods and of exercising the various options contained in this act, the making of returns, and the ascertainment, assessment, and collection of the tax imposed under this act.

(4) The tax imposed by this act is in addition to all other taxes for which the taxpayer may be liable.

(5) The department shall prepare and publish statistics from the records kept to administer the tax imposed by this act that detail the distribution of tax receipts by type of business, legal form of organization, sources of tax base, timing of tax receipts, and types of deductions. The statistics shall not result in the disclosure of information regarding any specific taxpayer.

History: 2007, Act 36, Eff. Jan. 1, 2008.

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

***** 208.1515 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1515 Distribution to school aid fund; deposit of balance to general fund; reduction; deposit after 2010-2011 fiscal year; "United States consumer price index" defined.

Sec. 515. (1) In fiscal year 2007-2008, \$341,000,000.00 of the revenue collected under this act shall be distributed to the school aid fund and the balance shall be deposited into the general fund. Except as otherwise provided in subsection (2), in fiscal year 2008-2009, \$729,000,000.00 of the revenue collected under this act

shall be distributed to the school aid fund and the balance shall be deposited into the general fund. Except as otherwise provided in subsection (2), for each fiscal year after the 2008-2009 fiscal year through the 2010-2011 fiscal year, that amount from the immediately preceding fiscal year, before the reduction under subsection (2), as adjusted by an amount equal to the growth in the United States consumer price index in the immediately preceding fiscal year shall be distributed to the school aid fund and the balance shall be deposited into the general fund.

(2) For each fiscal year after the 2007-2008 fiscal year through the 2010-2011 fiscal year, the amount distributed to the school aid fund under subsection (1) shall be reduced by the amount distributed to the school aid fund for that fiscal year from the tax collected under section 3f of the use tax act, 1937 PA 94, MCL 205.93f.

(3) For each fiscal year after the 2010-2011 fiscal year, the revenue collected under this act shall be deposited into the general fund.

(4) As used in this section, "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics.

History: 2007, Act 36, Eff. Jan. 1, 2008;—Am. 2007, Act 145, Eff. Jan. 1, 2008;—Am. 2009, Act 106, Imd. Eff. Oct. 1, 2009;—Am. 2012, Act 405, Imd. Eff. Dec. 20, 2012.

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."

Enacting section 3 of Act 145 of 2007 provides:

"Enacting section 3. Sections 281 and 451 of the Michigan business tax act, 2007 PA 36, MCL 208.1281 and 208.1451, as added by this amendatory act, and sections 105, 111, 113, 201, 239, 265, 403, 405, 409, 413, 445, 447, 515, and 601 of the Michigan business tax act, 2007 PA 36, MCL 208.1105, 208.1111, 208.1113, 208.1201, 208.1239, 208.1265, 208.1403, 208.1405, 208.1409, 208.1413, 208.1445, 208.1447, 208.1515, and 208.1601, as amended by this amendatory act, take effect January 1, 2008 and apply to all business activity occurring after December 31, 2007."

Enacting section 1 of Act 39 of 2011 provides:

Enacting section 1. The Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, is repealed effective on the date that the secretary of state receives a written notice from the department of treasury that the last certificated credit or any carryforward from that certificated credit has been claimed."

Enacting section 1 of Act 405 of 2012 provides:

"Enacting section 1. This amendatory act is retroactive and effective October 1, 2011."

Popular name: MBT

***** 208.1517 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1517 Implementation of act; appropriation; carrying forward unexpended funds.

Sec. 517. There is appropriated to the department for the 2006-2007 state fiscal year the sum of \$1,000,000.00 to begin implementing the requirements of this act. Any portion of this amount under this section that is not expended in the 2006-2007 state fiscal year shall not lapse to the general fund but shall be carried forward in a work project account that is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, for the following state fiscal year.

History: 2007, Act 36, Eff. Jan. 1, 2008.

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

***** 208.1519 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1519 Severability of provisions.

Sec. 519. If a final order of a court of competent jurisdiction for which all rights of appeal have been exhausted or have expired determines that any provision of this act that provides a deduction, credit, or exemption with respect to employment, persons, services, investment, or any other activity that is limited only to this state is unconstitutional or applies to employment, persons, services, investment, or any other activity outside of this state, that credit, deduction, or exemption shall be severed and shall not be in effect for any other tax year for which the final order shall apply, and the remaining provisions of this act shall remain in effect.

History: 2007, Act 36, Eff. Jan. 1, 2008.

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

208.1601 Repealed. 2023, Act 120, Imd. Eff. Sept. 13, 2023.

Compiler's note: The repealed section pertained to the refund of excess revenue collections to taxpayers and the countercyclical budget and economic stabilization fund.