

**MICHIGAN BUSINESS TAX ACT (EXCERPT)**  
**Act 36 of 2007**

\*\*\*\*\* 208.1601.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2008; THIS NEW SECTION IS  
ALSO AMENDED EFFECTIVE JANUARY 1, 2008: See 208.1601.amended \*\*\*\*\*

**208.1601.new Refund of excess amounts; deposit into countercyclical budget and economic stabilization fund; definitions.**

Sec. 601. (1) For the 2008 fiscal year, except as otherwise provided under subsection (4), if total net cash payments from the tax imposed under this act plus any net cash payments from former 1975 PA 228 less any net cash payments made by insurance companies under either act exceed \$2,398,000,000.00, 50% of that excess shall be refunded in the immediately succeeding fiscal year as provided in subsection (5) and the remaining 50% shall be deposited into the countercyclical budget and economic stabilization fund pursuant to section 353 of the management and budget act, 1984 PA 431, MCL 18.1353.

(2) For the 2009 fiscal year, except as otherwise provided under subsection (4), if total net cash payments from the tax imposed under this act, excluding any revenue collected pursuant to chapter 2A, exceed the fiscal year 2009 base, 50% of that excess shall be refunded in the immediately succeeding fiscal year as provided in subsection (5) and the remaining 50% shall be deposited into the countercyclical budget and economic stabilization fund pursuant to section 353 of the management and budget act, 1984 PA 431, MCL 18.1353. To calculate the fiscal year 2009 base, multiply \$2,398,000,000.00 by 1.01 and then multiply this product by 2009 fiscal year Michigan personal income divided by 2008 fiscal year Michigan personal income.

(3) For the 2010 fiscal year, except as otherwise provided under subsection (4), if total net cash payments from the tax imposed under this act, excluding any revenue collected pursuant to chapter 2A, exceed the fiscal year 2010 base, 50% of that excess shall be refunded in the immediately succeeding fiscal year as provided in subsection (5) and the remaining 50% shall be deposited into the countercyclical budget and economic stabilization fund pursuant to section 353 of the management and budget act, 1984 PA 431, MCL 18.1353. To calculate the fiscal year 2010 base, multiply \$2,398,000,000.00 by 1.0201 and then multiply this product by 2010 fiscal year Michigan personal income divided by 2008 fiscal year Michigan personal income.

(4) If the amount of the total net cash payments collected from the tax imposed under this act, excluding any revenue collected pursuant to chapter 2A, exceeds the amount described in the applicable subsection by less than \$5,000,000.00, then all of that excess shall be deposited into the countercyclical budget and economic stabilization fund pursuant to section 353 of the management and budget act, 1984 PA 431, MCL 18.1353.

(5) The refund available under subsection (1), (2), or (3) shall be applied pro rata to the taxpayers that made positive net cash payments during the fiscal year. The taxpayer's pro rata share shall be the total amount to be refunded under subsection (1), (2), or (3) multiplied by a fraction the numerator of which is the positive net payments made by the taxpayer during the fiscal year and the denominator of which is the sum of the positive net cash payments made by all taxpayers during the fiscal year.

(6) As used in this section:

(a) "Fiscal year" means the state fiscal year that commences October 1 and continues through September 30.

(b) "Fiscal year Michigan personal income" is the average of the 4 quarterly values for the fiscal year, as published by the United States bureau of economic analysis. Fiscal year personal income for subsection (2) is calculated using the personal income totals published in December 2009. Fiscal year personal income for subsection (3) is calculated using the personal income totals published in December 2010.

(c) "Net cash payments" for the fiscal year are equal to cash annual and estimated payments made during the fiscal year less refunds paid during the fiscal year. Refunds paid under this section are not used to reduce net cash payments for purposes of calculating refunds paid out under this section.

**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