



HOUSE BILL No. 5190

October 3, 1995, Introduced by Reps. Bush, Ryan, Gustafson, Voorhees, LeTarte, Law, Nye, Johnson, McBryde, Kaza, Hammerstrom and Llewellyn and referred to the Committee on Tax Policy.

A bill to amend Act No. 228 of the Public Acts of 1975,
entitled

"Single business tax act,"

as amended, being sections 208.1 to 208.145 of the Michigan
Compiled Laws, by adding section 39b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 39b to read as follows:

4 SEC. 39B. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) AND FOR
5 TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1996, A TAXPAYER MAY
6 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR THE TAX
7 YEAR TO THE EXTENT AND FOR THE DURATION PROVIDED PURSUANT TO THE
8 MICHIGAN RENAISSANCE ZONE ACT EQUAL TO THE TAX LIABILITY

1 ATTRIBUTABLE TO BUSINESS ACTIVITY CONDUCTED IN A RENAISSANCE ZONE
2 IN THE TAX YEAR.

3 (2) INCOME DERIVED FROM ILLEGAL ACTIVITY SHALL NOT BE USED
4 TO CALCULATE A CREDIT UNDER THIS SECTION.

5 (3) THE CREDIT ALLOWED UNDER THIS SECTION CONTINUES THROUGH
6 THE TAX YEAR IN WHICH THE RENAISSANCE ZONE DESIGNATION EXPIRES.

7 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
8 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS
9 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
10 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
11 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
12 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
13 WHICHEVER OCCURS FIRST.

14 (5) AS USED IN THIS SECTION:

15 (A) "RENAISSANCE ZONE" MEANS THAT TERM AS DEFINED IN THE
16 MICHIGAN RENAISSANCE ZONE ACT.

17 (B) "TAX LIABILITY ATTRIBUTABLE TO BUSINESS ACTIVITY CON-
18 DUCTED IN A RENAISSANCE ZONE" MEANS THE TAXPAYER'S TAX LIABILITY
19 MULTIPLIED BY A FRACTION THE NUMERATOR OF WHICH IS RATIO OF PROP-
20 ERTY LOCATED IN A DESIGNATED RENAISSANCE ZONE TO ALL PROPERTY IN
21 THIS STATE PLUS THE RATIO OF PAYROLL IN A DESIGNATED RENAISSANCE
22 ZONE TO ALL PAYROLL IN THIS STATE AND THE DENOMINATOR OF WHICH IS
23 2.