

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 835

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 37e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 37e. (1) For tax years that begin after December 31,  
2 2008 and before January 1, 2020, a taxpayer that is an investor  
3 may claim a credit against the tax imposed by this act equal to  
4 the credit amount determined and certified under this section and  
5 the Michigan early stage venture capital investment act of 2003.
- 6       (2) The total amount of all tax credits certified under this  
7 section and the Michigan early stage venture capital investment  
8 act of 2003 for all taxpayers for all years shall not exceed  
9 \$150,000,000.00.
- 10       (3) Investors shall apply to the Michigan early stage venture  
11 capital investment corporation for certification of allowable tax

1 credits.

2 (4) The Michigan early stage venture capital investment  
3 corporation shall determine which investors are eligible for tax  
4 credits and the amount of the tax credit allowed to each investor  
5 as provided in the Michigan early stage venture capital  
6 investment act of 2003.

7 (5) The certificate shall be attached to the taxpayer's  
8 annual return under this act for the first tax year in which a  
9 tax credit or any portion of the tax credit allowed is claimed,  
10 which shall be the tax year indicated on the certificate.

11 (6) A credit under this section shall be claimed only in a  
12 tax year that begins after December 31, 2008 and before January  
13 1, 2020. The credit allowed for that tax year shall not exceed  
14 the difference between the amount actually repaid and the amount  
15 set as the repayment due in the agreement entered into by the  
16 taxpayer and the Michigan early stage venture capital investment  
17 corporation pursuant to section 17 of the Michigan early stage  
18 venture capital investment act of 2003.

19 (7) The total amount of all credits authorized for any 1  
20 calendar year under this section pursuant to the agreements  
21 entered into by the taxpayer and the Michigan early stage venture  
22 capital investment corporation pursuant to section 17 of the  
23 Michigan early stage venture capital investment act of 2003 shall  
24 not exceed \$30,000,000.00.

25 (8) If the taxpayer's credit allowed under this section for a  
26 tax year exceeds the taxpayer's tax liability for the tax year,  
27 that portion of the credit that exceeds the tax liability for the

1 tax year shall be refunded.

2 (9) The fund manager shall invest and budget in such a manner  
3 that no credits are claimed under this section in any tax year  
4 before tax years that begin after December 31, 2008.

5 (10) For tax years that begin after December 31, 2009, if a  
6 credit under this section is not allowed against the taxpayer's  
7 tax liability under this act or against any successor tax to the  
8 tax imposed by this act, a taxpayer to whom a certificate has  
9 been issued under the Michigan early stage venture capital  
10 investment act of 2003 may claim a credit as allowed under  
11 section 270 of the income tax act of 1967, 1967 PA 281, MCL  
12 206.270, or transfer that certificate and the credit allowed  
13 pursuant to that certificate to a person who may claim the tax  
14 credit as allowed under section 270 of the income tax act of  
15 1967, 1967 PA 281, MCL 206.270. The credit amount under this  
16 subsection shall be equal to the remaining credit allowable and  
17 may be claimed only for tax years that begin after December 31,  
18 2009 and before January 1, 2020.

19 (11) As used in this section:

20 (a) "Board", "fund manager", and "investor" mean those terms  
21 as defined in the Michigan early stage venture capital investment  
22 act of 2003.

23 (b) "Certificate" means the certificate issued under section  
24 23 of the Michigan early stage venture capital investment act of  
25 2003.

26 Enacting section 1. This amendatory act does not take  
27 effect unless Senate Bill No. 834 of the 92nd Legislature is

1 enacted into law.