

SENATE BILL No. 835

November 6, 2003, Introduced by Senators GEORGE, ALLEN, CROPSEY, PATTERSON, McMANUS, JELINEK, HARDIMAN, BROWN, BIRKHOLZ, HAMMERSTROM, THOMAS, JACOBS, BASHAM, CLARKE, VAN WOERKOM, LELAND, GARCIA, SIKKEMA, JOHNSON and TOY and referred to the Committee on Commerce and Labor.

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 transfer that certificate and the
11 credit allowed pursuant to that certificate to a person who may
12 claim the tax credit as allowed under section 270 of the income
13 tax act of 1967, 1967 PA 281, MCL 206.270, equal to the remaining
14 credit allowable and for tax years that begin after December 31,
15 2009 and before January 1, 2020 only.

16 (11) As used in this section:

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

20 (b) "Certificate" means the certificate issued under section
21 23 of the Michigan early stage venture capital investment act of
22 2003.

23 Enacting section 1. This amendatory act does not take
24 effect unless Senate Bill No. 834

25 of the 92nd Legislature is enacted into
26 law.