Act No. 297
Public Acts of 2003
Approved by the Governor
January 8, 2004
Filed with the Secretary of State
January 8, 2004
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STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 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

ENROLLED SENATE BILL No. 835

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," (MCL 208.1 to 208.145) by adding section 37e.

The People of the State of Michigan enact:

Sec. 37e. (1) For tax years that begin after December 31, 2008 and before January 1, 2020, a taxpayer that is an investor may claim a credit against the tax imposed by this act equal to the credit amount determined and certified under this section and the Michigan early stage venture capital investment act of 2003.

(2) The total amount of all tax credits certified under this section and the Michigan early stage venture capital investment act of 2003 for all taxpayers for all years shall not exceed $150,000,000.00.

(3) Investors shall apply to the Michigan early stage venture capital investment corporation for certification of allowable tax credits.

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

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

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

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

(8) If the taxpayer's credit allowed under this section for a tax year exceeds the taxpayer's tax liability for the tax year, that portion of the credit that exceeds the tax liability for the tax year shall be refunded.

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

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

(11) As used in this section:

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

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gary L Randall

Clerk of the House of Representatives

Approved ....

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Governor