

SENATE BILL No. 910

November 30, 2005, Introduced by Senator TOY and referred to the Committee on Finance.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 35i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 35I. (1) A TAXPAYER THAT PROVIDES TRANSFERRED JOBS TO
2 THIS STATE MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT
3 EQUAL TO 100% OF THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL
4 PROPERTY THE USE OF WHICH IS DIRECTLY RELATED TO THE TRANSFERRED
5 JOBS. THE CREDIT ALLOWED UNDER THIS SECTION SHALL ONLY BE AVAILABLE
6 FOR TAXES PAID THE FIRST YEAR THAT THE TAXPAYER PAYS PROPERTY TAXES
7 ON THAT PROPERTY WHICH SHALL BE THE SAME TAX YEAR IN WHICH THE
8 CREDIT UNDER THIS SECTION BASED ON THOSE PROPERTY TAXES IS CLAIMED.
9 (2) THE CREDIT UNDER SUBSECTION (1) CAN BE CLAIMED ONLY FOR

1 TAXES PAID IN THE 2007 OR 2008 TAX YEAR.

2 (3) IF THE TAXPAYER DOES NOT MAINTAIN THE TOTAL NUMBER OF
3 TRANSFERRED JOBS LOCATED IN THIS STATE FOR 3 YEARS AFTER THE YEAR
4 IN WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED, THE FOLLOWING
5 PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED UNDER THIS
6 SECTION SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN
7 THAT YEAR:

8 (A) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
9 FIRST YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.

10 (B) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
11 SECOND YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND
12 SUBDIVISION (A) DID NOT APPLY, 67%.

13 (C) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE
14 THIRD YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND
15 NEITHER SUBDIVISION (A) NOR (B) APPLIED, 33%.

16 (4) PERSONAL PROPERTY TAXES USED TO CALCULATE A CREDIT UNDER
17 THIS SECTION SHALL NOT BE USED TO CALCULATE A CREDIT UNDER SECTION
18 35D, 35F, 35G, OR 35H.

19 (5) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCULATED
20 AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS ACT.

21 (6) AS USED IN THIS SECTION AND SECTION 35J:

22 (A) "HIGH-TECHNOLOGY ACTIVITY" MEANS THAT TERM AS DEFINED IN
23 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA
24 24, MCL 207.803.

25 (B) "MANUFACTURING JOBS" ARE JOBS FOR A COMPANY THAT HAS A
26 CLASSIFICATION UNDER SECTOR 33, SUBSECTOR 321, OR SUBSECTOR 322 OF
27 THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS).

1 (C) "PROPERTY TAXES" MEANS ANY OF THE FOLLOWING:

2 (i) TAXES COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA
3 206, MCL 211.1 TO 211.157.

4 (ii) TAXES LEVIED UNDER 1974 PA 198, MCL 207.551 TO 207.572.

5 (iii) TAXES LEVIED UNDER THE OBSOLETE PROPERTY REHABILITATION
6 ACT, 2000 PA 146, MCL 125.2781 TO 125.2797.

7 (iv) ANY PAYMENTS MADE BY THE TAXPAYER PURSUANT TO A CONTRACT
8 WITH THE MICHIGAN STRATEGIC FUND IN CONNECTION WITH THE CREATION OF
9 A RENAISSANCE ZONE UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA
10 376, MCL 125.2681 TO 125.2696, TO THE EXTENT THAT THOSE PAYMENTS
11 ARE MADE BY THE TAXPAYER TO REIMBURSE ALL TAXING UNITS FOR PROPERTY
12 TAXES THAT WOULD OTHERWISE BE EXEMPT UNDER SECTION 7FF OF THE
13 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF.

14 (D) "TRANSFERRED JOBS" MEANS JOBS THAT MEET ALL OF THE
15 FOLLOWING CRITERIA:

16 (i) ARE JOBS THAT PERFORM HIGH-TECHNOLOGY ACTIVITY OR
17 MANUFACTURING JOBS.

18 (ii) WERE LOCATED IN A DIFFERENT STATE OR DIFFERENT COUNTRY
19 BEFORE BEING MOVED TO THIS STATE IN THE IMMEDIATELY PRECEDING TAX
20 YEAR.

21 (iii) REPRESENT AN OVERALL INCREASE IN FULL-TIME EQUIVALENT JOBS
22 OF THE TAXPAYER IN THIS STATE FOR THE TAX YEAR ABOVE THE TOTAL
23 NUMBER OF FULL-TIME EQUIVALENT JOBS OF THE TAXPAYER IN THE
24 IMMEDIATELY PRECEDING TAX YEAR.

25 (iv) IS NOT A JOB INTO WHICH AN EMPLOYEE TRANSFERS IF THE
26 EMPLOYEE WORKED IN THIS STATE FOR THE TAXPAYER, A RELATED ENTITY OF
27 THE TAXPAYER, OR AN ENTITY WITH WHICH THE TAXPAYER FILES A

1 CONSOLIDATED RETURN UNDER SECTION 77 IN ANOTHER JOB PRIOR TO
2 BEGINNING THE TRANSFERRED JOB.

3 (v) THE BENEFITS FOR THE EMPLOYEE IN THE TRANSFERRED JOB
4 INCLUDE COVERAGE UNDER HEALTH AND WELFARE AND NONINSURED BENEFIT
5 PLANS, INCLUDING, BUT NOT LIMITED TO, PRESCRIPTION COVERAGE,
6 PRIMARY HEALTH CARE COVERAGE, AND HOSPITALIZATION THAT IS NOT
7 LIMITED TO EMERGENCY ROOM SERVICES OR SUBJECT TO DOLLAR LIMITS,
8 DEDUCTIBLES, AND COINSURANCE PROVISIONS THAT ARE NOT LESS FAVORABLE
9 THAN THOSE FOR PHYSICAL ILLNESS GENERALLY.