

HOUSE BILL No. 4716

March 26, 2009, Introduced by Rep. LeBlanc and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 431d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 431D. (1) AN AUTHORIZED BUSINESS AS DETERMINED UNDER
2 SECTION 8(9) OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA
3 24, MCL 207.808, THAT IS ALSO A QUALIFIED BUSINESS UNDER THIS
4 SECTION AND HAS ENTERED INTO AN AGREEMENT TO OBTAIN THE CREDIT
5 UNDER SECTION 431(1) (E) MAY CLAIM THE CREDIT FOR ALL TAX YEARS IN A
6 SINGLE TAX YEAR ENDING BEFORE JANUARY 1, 2011 AS DESIGNATED BY THE
7 MICHIGAN ECONOMIC GROWTH AUTHORITY.

8 (2) THE AMOUNT OF THE CREDIT ALLOWED BY THIS SECTION SHALL NOT
9 EXCEED THE NET PRESENT VALUE OF THE TOTAL CREDITS PROVIDED FOR ALL
10 TAX YEARS UNDER SECTION 431(1) AS DETERMINED BY THE MICHIGAN
11 ECONOMIC GROWTH AUTHORITY AND PROVIDED IN THE AGREEMENT. THE

1 MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL NOT ENTER INTO AN
2 AGREEMENT TO PROVIDE THE CREDIT IN THE MANNER PROVIDED BY THIS
3 SECTION UNLESS IT HAS DETERMINED THAT THE TAXPAYER IS LIKELY TO
4 RETAIN THE JOBS SPECIFIED IN THE AGREEMENT FOR THE NUMBER OF YEARS
5 FOR WHICH THE CREDIT UNDER SECTION 431 IS PROVIDED AND IS LIKELY TO
6 RETAIN LONG-TERM VIABILITY IN THIS STATE AS MEASURED BY ITS
7 CONTINUING RELATIONSHIP WITH ORIGINAL EQUIPMENT MANUFACTURERS OR,
8 WHERE APPLICABLE, TIER ONE AUTOMOTIVE SUPPLIERS. THE TOTAL AMOUNT
9 OF CREDITS CLAIMED UNDER THIS SECTION FOR ALL TAX YEARS SHALL NOT
10 EXCEED \$250,000,000.00.

11 (3) A TAXPAYER THAT CLAIMS A CREDIT UNDER THIS SECTION AND
12 SUBSEQUENTLY FAILS TO MEET THE REQUIREMENTS OF THIS SECTION OR ANY
13 OTHER CONDITIONS INCLUDED IN AN AGREEMENT ENTERED INTO WITH THE
14 MICHIGAN ECONOMIC GROWTH AUTHORITY IN ORDER TO OBTAIN A CERTIFICATE
15 FOR WHICH THE CREDIT WAS SOUGHT UNDER THIS SECTION MAY, AS
16 DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY, HAVE ITS
17 CREDIT REDUCED OR TERMINATED OR HAVE A PERCENTAGE OF THE CREDIT
18 AMOUNT PREVIOUSLY CLAIMED UNDER THIS SECTION ADDED BACK TO THE TAX
19 LIABILITY OF THE TAXPAYER IN THE TAX YEAR THAT THE TAXPAYER FAILS
20 TO COMPLY WITH THIS SECTION OR THE AGREEMENT.

21 (4) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
22 UNLESS THE MICHIGAN ECONOMIC GROWTH AUTHORITY HAS ISSUED A
23 CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE
24 CERTIFICATE TO THE ANNUAL RETURN FILED UNDER THIS ACT ON WHICH A
25 CREDIT UNDER THIS SECTION IS CLAIMED.

26 (5) THE CERTIFICATE REQUIRED BY SUBSECTION (4) SHALL STATE ALL
27 OF THE FOLLOWING:

1 (A) THE TAXPAYER IS AN AUTHORIZED BUSINESS.

2 (B) THE TAXPAYER IS A QUALIFIED BUSINESS.

3 (C) THE AMOUNT OF THE CREDIT UNDER THIS SECTION FOR THE
4 AUTHORIZED BUSINESS FOR THE DESIGNATED TAX YEAR.

5 (D) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
6 THE MICHIGAN DEPARTMENT OF TREASURY NUMBER ASSIGNED TO THE
7 TAXPAYER.

8 (6) AS USED IN THIS SECTION:

9 (A) "AUTHORIZED BUSINESS" MEANS THAT TERM AS DEFINED IN
10 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA
11 24, MCL 207.803.

12 (B) "MICHIGAN ECONOMIC GROWTH AUTHORITY" MEANS THE MICHIGAN
13 ECONOMIC GROWTH AUTHORITY CREATED IN THE MICHIGAN ECONOMIC GROWTH
14 AUTHORITY ACT, 1995 PA 24, MCL 207.801 TO 207.810.

15 (C) "QUALIFIED BUSINESS" MEANS A SUPPLIER OR MANUFACTURER OF
16 MOTOR VEHICLE COMPONENTS, TOOLS AND EQUIPMENT, AUTOMOTIVE
17 CHEMICALS, AND RELATED PRODUCTS USED IN THE PRODUCTION, REPAIR, AND
18 MAINTENANCE OF ALL CLASSES OF MOTOR VEHICLES.

19 Enacting section 1. This amendatory act does not take effect
20 unless all of the following bills of the 95th Legislature are
21 enacted into law:

22 (a) Senate Bill No.____ or House Bill No. 4718(request no.
23 02870'09).

24 (b) Senate Bill No.____ or House Bill No. 4719(request no.
25 02892'09).

26 (c) Senate Bill No.____ or House Bill No. 4717(request no.
27 02893'09).

1 (d) Senate Bill No. _____ or House Bill No. 4720 (request no.
2 02894'09).