

SENATE BILL No. 986

February 29, 2012, Introduced by Senators BIEDA, KOWALL and BRANDENBURG and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding section 645.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 645. (1) SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS
2 SECTION, FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2013 AND EACH
3 TAX YEAR THEREAFTER THROUGH THE 2023 TAX YEAR, AN INSURANCE COMPANY
4 THAT PURCHASES A PTP CERTIFICATE UNDER THE MICHIGAN INSURANCE
5 PREMIUM TAX PREPAYMENT ACT EARNS A VESTED RIGHT TO A TAX CREDIT
6 UNDER THIS SECTION. THE HOLDER OF THE CERTIFICATE MAY CLAIM A
7 CREDIT AGAINST THE TAX IMPOSED BY THIS PART OR SECTION 476A OF THE
8 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.476A, EQUAL TO 10% OF
9 THE AMOUNT STATED IN THE PURCHASE PRICE OF THE CERTIFICATE.

10 (2) THE AMOUNT OF THE CREDIT ALLOWED TO BE CLAIMED UNDER THIS
11 SECTION SHALL NOT EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE

1 TAX YEAR. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
2 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
3 EXCEED THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
4 PORTION THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED BUT
5 MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN SUBSEQUENT TAX
6 YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER OCCURS FIRST.

7 (3) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
8 UNLESS THE DEPARTMENT OR ITS DESIGNEE HAS ISSUED A PTP CERTIFICATE
9 TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH A COPY OF THE
10 CERTIFICATE TOGETHER WITH A SIGNED AND NOTARIZED STATEMENT OF THE
11 TAXPAYER ATTESTING TO THE AUTHENTICITY OF THE CERTIFICATE TO THE
12 ANNUAL RETURN FILED UNDER THIS PART OR SECTION 476A OF THE
13 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.476A, ON WHICH A
14 CREDIT UNDER THIS SECTION IS CLAIMED.

15 (4) A TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE
16 REMAINING CREDIT AMOUNT. A CREDIT AMOUNT ASSIGNED UNDER THIS
17 SUBSECTION MAY BE CLAIMED AGAINST THE ASSIGNEE'S TAX LIABILITY
18 UNDER THIS PART OR SECTION 476A OF THE INSURANCE CODE OF 1956, 1956
19 PA 218, MCL 500.476A. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION
20 SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE ASSIGNOR
21 AND ASSIGNEE SHALL SEND WITHIN 30 DAYS AFTER THE TRANSFER
22 ASSIGNMENT A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE
23 DEPARTMENT IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND
24 ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE ANNUAL RETURN
25 REQUIRED TO BE FILED UNDER THIS ACT FOR THAT TAX YEAR.

26 (5) THE TOTAL AMOUNT OF PTP CERTIFICATES THAT MAY BE ISSUED BY
27 THE DEPARTMENT UNDER THE MICHIGAN INSURANCE PREMIUM TAX PREPAYMENT

1 ACT SHALL NOT RESULT IN MORE THAN \$900,000,000.00 IN CREDITS.

2 (6) AS USED IN THIS SECTION, "PTP CERTIFICATE" MEANS THAT TERM
3 AS DEFINED IN SECTION 3 OF THE MICHIGAN INSURANCE PREMIUM TAX
4 PREPAYMENT ACT.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 96th Legislature are
7 enacted into law:

8 (a) Senate Bill No. 985 _____ (request no.
9 04158'11).

10 (b) Senate Bill No. 987 _____ (request no.
11 04158'11 b).