

HOUSE BILL No. 4395

March 8, 2011, Introduced by Reps. Ananich, Dillon, Smiley, Santana, Hovey-Wright, Poleski, Shirkey, Townsend, Cavanagh, Scott and Oakes 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 402.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 402. NOTWITHSTANDING ANY OTHER PROVISION UNDER THIS
2 CHAPTER, BEGINNING AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT
3 THAT ADDED THIS SECTION EACH WRITTEN AGREEMENT REQUIRED FOR A TAX
4 CREDIT UNDER THIS CHAPTER SHALL INCLUDE BOTH OF THE FOLLOWING:

5 (A) A PENALTY PROVISION IN THE EVENT THE TAXPAYER RELOCATES
6 OUTSIDE OF THIS STATE DURING THE TERMS OF THE WRITTEN AGREEMENT OR
7 SUBSEQUENTLY FAILS TO MEET THE REQUIREMENTS OF THE AGREEMENT OR ANY
8 OTHER CONDITIONS INCLUDED IN THE AGREEMENT. THE PENALTY PROVISION
9 SHALL PROVIDE THAT THE TAXPAYER SHALL HAVE AN AMOUNT EQUAL TO THE
10 TOTAL AMOUNT OF THE CREDIT RECEIVED BY THE TAXPAYER UNDER THE

1 AGREEMENT ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN THE
2 TAX YEAR THAT THE TAXPAYER RELOCATES OUTSIDE OF THIS STATE OR FAILS
3 TO COMPLY WITH THE AGREEMENT.

4 (B) A PROVISION THAT THE TAXPAYER CONSENTS TO THE JURISDICTION
5 OF THE COURTS OF THIS STATE FOR THE COLLECTION AND ENFORCEMENT OF A
6 PENALTY DESCRIBED IN THIS SECTION.