

HOUSE BILL No. 4942

September 13, 2011, Introduced by Rep. Gilbert and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 663 (MCL 206.663), as added by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 663. (1) Except as otherwise provided in subsection (2)
2 and section 669, the sales factor is a fraction, the numerator of
3 which is the total sales of the taxpayer in this state during the
4 tax year and the denominator of which is the total sales of the
5 taxpayer everywhere during the tax year.

6 (2) Except as otherwise provided under this subsection, for a
7 taxpayer that is a unitary business group, sales include sales in
8 this state of every person included in the unitary business group
9 without regard to whether the person has nexus in this state. Sales
10 between persons included in a unitary business group must be
11 eliminated in calculating the sales factor.

1 (3) ~~It~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SECTION 667, IT** is
2 the intent of the legislature that ~~each~~ **THE** tax base of a taxpayer
3 is apportioned to this state by multiplying ~~each~~ **THE** tax base by
4 the sales factor multiplied by 100% and that apportionment shall
5 not be based on property, payroll, or any other factor
6 notwithstanding section 1 of 1969 PA 343, MCL 205.581.

7 Enacting section 1. This amendatory act takes effect January
8 1, 2012.