

INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

***** 206.603.added THIS ADDED SECTION IS EFFECTIVE JANUARY 1, 2012; THIS ADDED SECTION IS AMENDED EFFECTIVE JANUARY 1, 2012: See 206.603.amended *****

206.603.added Definitions; B.

Sec. 603. (1) "Business activity" means a transfer of legal or equitable title to or rental of property, whether real, personal, or mixed, tangible or intangible, or the performance of services, or a combination thereof, made or engaged in, or caused to be made or engaged in, whether in intrastate, interstate, or foreign commerce, with the object of gain, benefit, or advantage, whether direct or indirect, to the taxpayer or to others, but does not include the services rendered by an employee to his or her employer or services as a director of a corporation. Although an activity of a taxpayer may be incidental to another or to others of his or her business activities, each activity shall be considered to be business engaged in within the meaning of this part.

(2) "Business income" means federal taxable income. For a taxpayer that is a mutual or cooperative electric company exempt under section 501(c)(12) of the internal revenue code, business income equals the organization's excess or deficiency of revenues over expenses as reported to the federal government by those organizations exempt from the federal income tax under the internal revenue code, less capital credits paid to members of that organization, less income attributed to equity in another organization's net income, and less income resulting from a charge approved by a state or federal regulatory agency that is restricted for a specified purpose and refundable if it is not used for the specified purpose. For a tax-exempt taxpayer, business income means only that part of federal taxable income derived from unrelated business activity.

History: Add. 2011, Act 38, Eff. Jan. 1, 2012.