

**SINGLE BUSINESS TAX ACT (EXCERPT)**  
**Act 228 of 1975**

\*\*\*\*\* 208.22c THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007  
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**208.22c Credit against tax and surcharge; limitations; use of tax liability and assessments from preceding year; certification of amounts needed to calculate credits.**

Sec. 22c. (1) For the tax year beginning October 1, 1987 and ending September 30, 1988 and each tax year thereafter, an insurance company may claim a credit against the tax and surcharge imposed by this act in the following amounts, but not to exceed the limitations provided in this section:

(a) Amounts paid to the Michigan worker's compensation placement facility pursuant to chapter 23 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.2301 to 500.2352 of the Michigan Compiled Laws.

(b) Amounts paid to the Michigan basic property insurance association pursuant to chapter 29 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.2901 to 500.2954 of the Michigan Compiled Laws.

(c) Amounts paid to the Michigan automobile insurance placement facility pursuant to chapter 33 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.3301 to 500.3390 of the Michigan Compiled Laws.

(d) Amounts paid to the property and casualty guaranty association pursuant to chapter 79 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.7901 to 500.7949 of the Michigan Compiled Laws.

(e) Amounts paid to the Michigan life and health guaranty association pursuant to chapter 77 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.7701 to 500.7780 of the Michigan Compiled Laws.

(2) For the tax year beginning October 1, 1987 and ending September 30, 1988, the credit provided in subsection (1) shall not exceed 56% of the insurance company's tax liability under this act before applying the surcharge and credits.

(3) Except as otherwise provided in subsections (5) and (6), for the tax year beginning October 1, 1988 and ending September 30, 1989 and each tax year thereafter, the total credit provided in subsection (1) for all insurance companies shall not exceed the product of the remainder obtained by deducting the sum of \$30,000,000.00 plus the credits allowed under section 22e from the total tax liability of domestic insurance companies under this act including the surcharge but before applying any credits multiplied by a fraction the numerator of which is the total assessments paid by all insurance companies to the associations and facilities described in subsection (1) and the denominator of which is the total assessments paid by domestic insurance companies to the associations and facilities described in subsection (1). The \$30,000,000.00 subtrahend shall be adjusted annually in proportion to the change in total general fund/general purpose revenues for the immediately preceding year, as certified by the director of management and budget.

(4) For the tax year beginning October 1, 1988 and ending September 30, 1989 and each tax year thereafter, the credit for each insurance company shall not exceed an amount equal to the product of the total credit limitation calculated under subsection (3) multiplied by a fraction the numerator of which is the insurance company's total assessments paid to the associations and facilities described in subsection (1) and the denominator of which is the total assessments paid by all insurance companies to the associations and facilities described in subsection (1).

(5) For the tax year beginning October 1, 1988 and ending September 30, 1989, the credit provided in subsection (1) shall be 40.366% of the total assessments paid by the insurance company to the facilities and associations described in subsection (1).

(6) The tax liability and assessments of insurance companies from the immediately preceding tax year shall be used in calculating the credits allowed under this section for each tax year, except for the following:

(a) In calculating the total authorized credits for the 1991 tax year, assessments of insurance companies for calendar year 1990 shall be used and the total credit limitation calculated under subsection (3) shall be multiplied by 1.25.

(b) In calculating the total authorized credits for the 1992 tax year, assessments of insurance companies for calendar year 1991 shall be used and the total tax liability of domestic insurance companies for tax year 1991 shall be multiplied by 0.8.

(c) For tax years that begin after December 31, 1992 and before January 1, 1996, an affiliated group, 1 or more of the members of which have no employees and acquire goods or services from other affiliated group

members, may allocate the amounts paid under subsection (1)(e) and used to determine the credit under this section for each tax year among the members of the affiliated group.

(7) Not later than June 30 of each year after 1990, the state treasurer shall certify the amounts needed to calculate the credits allowed under this section for the insurance company tax year ending in that calendar year.

**History:** Add. 1987, Act 262, Imd. Eff. Dec. 28, 1987;—Am. 1990, Act 255, Imd. Eff. Oct. 15, 1990;—Am. 1995, Act 256, Imd. Eff. Jan. 5, 1996.

**Compiler's note:** Section 2 of Act 255 of 1990 provides: "This act is curative and intended to validate the state treasurer's calculation of credit amounts for the 1989 tax year. Provisions of this act relating to the 1989 tax year credits are intended not to be severable from provisions of this act relating to calculation of the 1990 tax year credits."