

SINGLE BUSINESS TAX ACT (EXCERPT)
Act 228 of 1975

***** 208.37b THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007

208.37b Credit for tax liability attributable to high technology activity.

Sec. 37b. (1) A taxpayer engaged in a high technology activity that qualifies under the criteria of subsection (3) may credit against the tax imposed by section 31 an amount equal to the tax liability attributable to that high technology activity.

(2) The tax liability attributable to the high technology activity described in subsection (1) is the tax liability imposed by this act after the calculation of the credits provided in sections 36, 37, 38, and 39 multiplied by a fraction the numerator of which is the ratio of property used for the high technology activity to all property located in this state plus the ratio of payroll for the high technology activity to all payroll in this state and the denominator of which is 2.

(3) To qualify for the credit allowed under this section, the taxpayer shall comply with all of the following:

(a) The high technology activity is the primary purpose and use of eligible property subject to a tax increment financing plan that provides for the use of captured assessed value from that eligible property.

(b) The taxpayer was not located in the central city before the authority district in which the eligible property is located was created.

(c) The department of treasury issues a certificate to the taxpayer certifying that the eligible property is located in a central city and is used for a high technology activity and that the taxpayer meets the other requirements of this section. A certificate issued under this subdivision shall be effective for 10 years after the date of issuance or until the certificate is revoked. The department of treasury shall revoke a certificate if the taxpayer no longer meets the requirements of this section. A certificate shall not be issued by the department of treasury after December 31, 1991.

(4) The credit allowed under this section shall not exceed the tax liability of the taxpayer for the tax year.

(5) As used in this section:

(a) "Authority district", "eligible property", and "tax increment financing plan" mean those terms as used in the local development financing act.

(b) "Central city" means a city that has the largest population within a metropolitan statistical area as designated by the United States bureau of the census and meets all of the following criteria or a city that has the largest population within a county, but not less than 40,000, and meets all of the following criteria:

(i) Has had a poverty rate for families that is more than the statewide average rate as defined by the most recent federal decennial census.

(ii) Shows a population decline from the next most recent to the most recent federal decennial census.

(iii) Has had an increase in state equalized valuation of real and personal property over the prior 10 calendar years that is less than the statewide average increase in state equalized valuation over the prior 10 calendar years.

(iv) Has had an unemployment rate higher than the state average unemployment rate for 3 of the preceding 5 calendar years.

However, a central city does not include a city of which all or a portion has been designated as an enterprise zone under the enterprise zone act, Act No. 224 of the Public Acts of 1985, being sections 125.2101 to 125.2122 of the Michigan Compiled Laws.

(c) "High technology activity" means an activity specified by section 2(h)(iii) of the local development financing act but shall exclude those businesses also qualifying as eligible property under section 2(h)(i) or 2(h)(ii) of the local development financing act or those businesses whose high technology activity relates to the activity of a business that also qualifies as eligible property under section 2(h)(i) or 2(h)(ii) of the local development financing act.

History: Add. 1986, Act 283, Imd. Eff. Dec. 22, 1986.