

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

\*\*\*\*\* 208.38d THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007  
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**208.38d Tax credit equal to 10% of cost of eligible investment paid or accrued.**

Sec. 38d. (1) For tax years that begin after December 31, 1996 and before January 1, 2001, a qualified taxpayer may claim a credit against the tax imposed by this act equal to 10% of the cost of eligible investment paid or accrued by the qualified taxpayer in the tax year.

(2) The maximum total credits claimed under this section for all tax years by each taxpayer that claims a credit under this section shall not exceed \$1,000,000.00.

(3) The credit allowed under this section shall be calculated after application of all other credits allowed under this act.

(4) If the credit allowed under this section for the tax year and any unused carryforward of the credit allowed by this section exceed the taxpayer's tax liability for the tax year, that portion that exceeds the tax liability for the tax year shall not be refunded but may be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurs first.

(5) If eligible investment is for the purchase of tangible assets, if the cost of those assets will have been used to calculate a credit under this section, and if the tangible assets are sold or disposed of or transferred from eligible property to any other location, add 10% of the federal basis used for determining gain or loss as of the date of the sale, disposition, or transfer to the taxpayer's tax liability for the tax year in which the sale, disposition, or transfer occurs.

(6) An affiliated group as defined in this act, a controlled group of corporations as defined in section 1563 of the internal revenue code and further described in 26 C.F.R. 1.414(b)-1 and 1.414(c)-1 to 1.414(c)-5, or an entity under common control as defined in the internal revenue code shall consolidate the eligible investment of the members of the affiliated group, member corporations of the controlled group, or entities under common control for purposes of determining when the maximum allowable credit limit under subsection (2) has been reached.

(7) The department shall develop procedures to implement this section.

(8) As used in this section:

(a) "Eligible activity" means that term as defined in the brownfield redevelopment financing act.

(b) "Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activity on that eligible property has started pursuant to a brownfield plan under the brownfield redevelopment financing act, if the costs of the eligible investment are not otherwise reimbursed to the taxpayer or paid for on behalf of the taxpayer from any source other than the taxpayer.

(c) "Eligible property" means property that is a facility as that term is defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws, or property that was a facility as defined in section 20101 of Act No. 451 of the Public Acts of 1994 prior to the completion of eligible activity pursuant to a brownfield plan under the brownfield redevelopment financing act.

(d) "Qualified taxpayer" means a taxpayer that meets both of the following criteria:

(i) Owns or leases an eligible property that is located within a brownfield redevelopment zone designated pursuant to the brownfield redevelopment financing act and on which eligible activity has started pursuant to a brownfield plan under the brownfield redevelopment financing act.

(ii) The taxpayer is not liable under section 20126 of part 201 of Act No. 451 of the Public Acts of 1994, being section 324.20126 of the Michigan Compiled Laws, for response activity at an eligible property to which the credit is attributable.

(e) "Response activity" means that term as defined in the brownfield redevelopment financing act.

**History:** Add. 1996, Act 382, Eff. Sept. 16, 1996.