



HOUSE BILL No. 4661

March 23, 1995, Introduced by Rep. Harder and referred to the Committee on Tax Policy.

A bill to amend sections 45 and 52 of Act No. 228 of the Public Acts of 1975, entitled "Single business tax act," section 45 as amended by Act No. 77 of the Public Acts of 1991, being sections 208.45 and 208.52 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 45 and 52 of Act No. 228 of the Public
2 Acts of 1975, section 45 as amended by Act No. 77 of the Public
3 Acts of 1991, being sections 208.45 and 208.52 of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 45. (1) ~~Except as provided in subsection (2)~~ FOR TAX
6 YEARS BEGINNING BEFORE JANUARY 1, 1991, all of the tax base,
7 other than the tax base derived principally from transportation,
8 financial, or insurance carrier services or specifically
9 allocated, shall be apportioned to this state by multiplying the

1 tax base by a fraction, the numerator of which is the property
2 factor plus the payroll factor plus the sales factor, and the
3 denominator of which is 3.

4 (2) For tax years beginning after December 31, 1990 and
5 before January 1, 1993, all of the tax base, other than the tax
6 base derived principally from transportation, financial, or
7 insurance carrier services or specifically allocated, shall be
8 apportioned to this state by multiplying the tax base by a per-
9 centage, which is the sum of all of the following percentages:

10 (a) The property factor multiplied by 30%.

11 (b) The payroll factor multiplied by 30%.

12 (c) The sales factor multiplied by 40%.

13 (3) Subsection (2) does not apply for a tax year in which a
14 deduction is not allowed under section 23(c).

15 (4) For tax years beginning after December 31, 1992 AND
16 BEFORE JANUARY 1, 1995, all of the tax base, other than the tax
17 base derived principally from transportation, financial, or
18 insurance carrier services or specifically allocated, shall be
19 apportioned to this state by multiplying the tax base by a per-
20 centage, which is the sum of all of the following percentages:

21 (a) The property factor multiplied by 25%.

22 (b) The payroll factor multiplied by 25%.

23 (c) The sales factor multiplied by 50%.

24 (5) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1994 AND
25 BEFORE JANUARY 1, 1996, ALL OF THE TAX BASE, OTHER THAN THE TAX
26 BASE DERIVED PRINCIPALLY FROM TRANSPORTATION, FINANCIAL, OR
27 INSURANCE CARRIER SERVICES OR SPECIFICALLY ALLOCATED, SHALL BE

1 APPORTIONED TO THIS STATE BY MULTIPLYING THE TAX BASE BY A
2 PERCENTAGE, WHICH IS THE SUM OF ALL OF THE FOLLOWING
3 PERCENTAGES:

4 (A) THE PROPERTY FACTOR MULTIPLIED BY 20%.

5 (B) THE PAYROLL FACTOR MULTIPLIED BY 20%.

6 (C) THE SALES FACTOR MULTIPLIED BY 60%.

7 (6) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1995 AND
8 BEFORE JANUARY 1, 1997, ALL OF THE TAX BASE, OTHER THAN THE TAX
9 BASE DERIVED PRINCIPALLY FROM TRANSPORTATION, FINANCIAL, OR
10 INSURANCE CARRIER SERVICES OR SPECIFICALLY ALLOCATED, SHALL BE
11 APPORTIONED TO THIS STATE BY MULTIPLYING THE TAX BASE BY A PER-
12 CENTAGE, WHICH IS THE SUM OF ALL OF THE FOLLOWING PERCENTAGES:

13 (A) THE PROPERTY FACTOR MULTIPLIED BY 15%.

14 (B) THE PAYROLL FACTOR MULTIPLIED BY 15%.

15 (C) THE SALES FACTOR MULTIPLIED BY 70%.

16 (7) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1996 AND
17 BEFORE JANUARY 1, 1998, ALL OF THE TAX BASE, OTHER THAN THE TAX
18 BASE DERIVED PRINCIPALLY FROM TRANSPORTATION, FINANCIAL, OR
19 INSURANCE CARRIER SERVICES OR SPECIFICALLY ALLOCATED, SHALL BE
20 APPORTIONED TO THIS STATE BY MULTIPLYING THE TAX BASE BY A PER-
21 CENTAGE, WHICH IS THE SUM OF ALL OF THE FOLLOWING PERCENTAGES:

22 (A) THE PROPERTY FACTOR MULTIPLIED BY 10%.

23 (B) THE PAYROLL FACTOR MULTIPLIED BY 10%.

24 (C) THE SALES FACTOR MULTIPLIED BY 80%.

25 (8) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 1997 AND
26 BEFORE JANUARY 1, 1999, ALL OF THE TAX BASE, OTHER THAN THE TAX
27 BASE DERIVED PRINCIPALLY FROM TRANSPORTATION, FINANCIAL, OR

1 INSURANCE CARRIER SERVICES OR SPECIFICALLY ALLOCATED, SHALL BE
2 APPORTIONED TO THIS STATE BY MULTIPLYING THE TAX BASE BY A PER-
3 CENTAGE, WHICH IS THE SUM OF ALL OF THE FOLLOWING PERCENTAGES:

4 (A) THE PROPERTY FACTOR MULTIPLIED BY 5%.

5 (B) THE PAYROLL FACTOR MULTIPLIED BY 5%.

6 (C) THE SALES FACTOR MULTIPLIED BY 90%.

7 Sec. 52. ~~Sales~~ A SALE of tangible personal property
8 ~~are~~ IS CONSIDERED TO BE A SALE in this state if EITHER OF THE
9 FOLLOWING APPLIES:

10 (a) The property is shipped or delivered to a purchaser,
11 other than the United States government, within this state
12 regardless of the free on board point or other conditions of the
13 ~~sales~~ SALE.

14 (b) The property is shipped from an office, store, ware-
15 house, factory, or other place of storage in this state and the
16 purchaser is the United States government. ~~, or the taxpayer is~~
17 ~~not taxable in the state of the purchaser. For the purposes of~~
18 ~~this subdivision only, "state" means any state of the United~~
19 ~~States, the District of Columbia, the commonwealth of Puerto~~
20 ~~Rico, any territory or possession of the United States, or polit-~~
21 ~~ical subdivision thereof.~~