



SENATE BILL No. 467

April 25, 1995, Introduced by Senators SCHUETTE, GOUGEON, ROGERS, SHUGARS, BOUCHARD, DUNASKISS, BENNETT, MC MANUS, CARL and STEIL and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend section 4 Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended by Act No. 6 of the Public Acts of 1995, being section 208.4 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4 of Act No. 228 of the Public Acts of
2 1975, as amended by Act No. 6 of the Public Acts of 1995, being
3 section 208.4 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 4. (1) "Casual transaction" means a transaction made
6 or engaged in other than in the ordinary course of repeated and
7 successive transactions of a like character, except that a
8 transaction made or engaged in by a person that is incidental to

1 that person's regular business activity is a business activity
2 within the meaning of this act.

3 (2) "Commissioner" means the state commissioner of revenue.

4 (3) Except as otherwise provided in sections 4a, 4b, and 4c,
5 "compensation" means all wages, salaries, fees, bonuses, commis-
6 sions, or other payments made in the taxable year on behalf of or
7 for the benefit of employees, officers, or directors of the tax-
8 payers and subject to or specifically exempt from withholding
9 under chapter 24, sections 3401 to 3406 of the internal revenue
10 code. Compensation includes, on a cash or accrual basis consis-
11 tent with the taxpayer's method of accounting for federal income
12 tax purposes, payments to state and federal unemployment compen-
13 sation funds, payments under the federal insurance contribution
14 act and similar social insurance programs, payments, including
15 self-insurance, for worker's compensation insurance, payments to
16 individuals not currently working, payments to dependents and
17 heirs of individuals because of current or former labor services
18 rendered by those individuals, payments to a pension, retirement,
19 or profit sharing plan, and payments for insurance for which
20 employees are the beneficiaries, including payments under health
21 and welfare and noninsured benefit plans and payments of fees for
22 the administration of health and welfare and noninsured benefit
23 plans. Compensation does not include ~~discounts~~ ANY OF THE
24 FOLLOWING:

25 (A) DISCOUNTS on the price of the taxpayer's merchandise or
26 services sold to the taxpayer's employees, officers, or directors
27 that are not available to other customers. ~~or payments~~

1 (B) PAYMENTS to an independent contractor.

2 (C) FOR THE 1995 TAX YEAR AND TAX YEARS AFTER THE 1995 TAX
3 YEAR, PAYMENTS FOR A HEALTH POLICY, CERTIFICATE, OR CONTRACT REG-
4 ULATED UNDER THE INSURANCE CODE OF 1956, ACT NO. 218 OF THE
5 PUBLIC ACTS OF 1956, BEING SECTIONS 500.100 TO 500.8302 OF THE
6 MICHIGAN COMPILED LAWS, THE NONPROFIT HEALTH CARE CORPORATION
7 REFORM ACT, ACT NO. 350 OF THE PUBLIC ACTS OF 1980, BEING
8 SECTIONS 550.1101 TO 550.1704 OF THE MICHIGAN COMPILED LAWS, OR
9 THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978,
10 BEING SECTIONS 333.1101 TO 333.25211 OF THE MICHIGAN COMPILED
11 LAWS.

12 (4) "Department" means the revenue division of the depart-
13 ment of treasury.