

SUBSTITUTE FOR  
HOUSE BILL NO. 4972

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 35d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 35D. (1) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1,  
2        2006 AND FOR WHICH SUBSECTION (2) DOES NOT APPLY, A PERSON MAY  
3        CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE  
4        FOLLOWING PERCENTAGES OF THE PROPERTY TAXES PAID IN THE TAX YEAR BY  
5        THE PERSON ON INDUSTRIAL PERSONAL PROPERTY:

6        (A) FOR THE TAX YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE  
7        TANGIBLE PERSONAL PROPERTY IS INITIALLY SOLD AT RETAIL AND FIRST  
8        PURCHASED FROM A MANUFACTURER OR A DEALER OR DISTRIBUTOR OF THE  
9        ORIGINAL MANUFACTURER BY THE TAXPAYER, THE TAXPAYER MAY CLAIM THE

1 FOLLOWING PERCENTAGE OF THE PROPERTY TAXES PAID IN THE TAX YEAR ON  
2 THE TANGIBLE PERSONAL PROPERTY FOR THAT YEAR:

3 (i) IF THE TANGIBLE PERSONAL PROPERTY IS FIRST PURCHASED IN  
4 CALENDAR YEAR 2006 OR 2007, 50%.

5 (ii) IF THE TANGIBLE PERSONAL PROPERTY IS FIRST PURCHASED IN  
6 CALENDAR YEAR 2008 OR AFTER CALENDAR YEAR 2008, 20%.

7 (B) FOR THE TAX YEAR IMMEDIATELY FOLLOWING THE TAX YEAR IN  
8 SUBDIVISION (A), THE TAXPAYER MAY CLAIM THE FOLLOWING PERCENTAGES  
9 OF THE PROPERTY TAXES PAID BY THE TAXPAYER IN THE TAX YEAR ON THE  
10 TANGIBLE PERSONAL PROPERTY:

11 (i) IF THE TANGIBLE PERSONAL PROPERTY WAS FIRST PURCHASED IN  
12 CALENDAR YEAR 2006 OR 2007, 30%.

13 (ii) IF THE TANGIBLE PERSONAL PROPERTY WAS FIRST PURCHASED IN  
14 CALENDAR YEAR 2008 OR AFTER CALENDAR YEAR 2008, 20%.

15 (C) FOR THE TAX YEAR IMMEDIATELY FOLLOWING THE TAX YEAR IN  
16 SUBDIVISION (B), THE TAXPAYER MAY CLAIM THE FOLLOWING PERCENTAGES  
17 OF THE PROPERTY TAXES PAID BY THE TAXPAYER IN THE TAX YEAR ON THE  
18 TANGIBLE PERSONAL PROPERTY:

19 (i) IF THE TANGIBLE PERSONAL PROPERTY WAS FIRST PURCHASED IN  
20 CALENDAR YEAR 2006 OR 2007, 25%.

21 (ii) IF THE TANGIBLE PERSONAL PROPERTY WAS FIRST PURCHASED IN  
22 CALENDAR YEAR 2008 OR AFTER CALENDAR YEAR 2008, 20%.

23 (D) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A  
24 TAXPAYER MAY CLAIM A 15% CREDIT FOR PROPERTY TAXES PAID IN CALENDAR  
25 YEARS 2006, 2007, AND 2008 ON TANGIBLE PERSONAL PROPERTY AND A 20%  
26 CREDIT FOR PROPERTY TAXES PAID IN CALENDAR YEAR 2009 AND AFTER  
27 CALENDAR YEAR 2009.

1           (2) FOR TAX YEARS AFTER THE CALENDAR YEAR IN WHICH THE FOURTH  
2 REDUCTION UNDER SECTION 31(7) WAS MADE, IF THE REVENUE ESTIMATING  
3 CONFERENCE THAT MEETS IN THE MAY AFTER THE CALENDAR YEAR IN WHICH  
4 THE FOURTH REDUCTION UNDER SECTION 31(7) WAS MADE, AS PROVIDED IN  
5 SECTION 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL  
6 18.1367B, DETERMINES THAT THE AMOUNT ESTIMATED BY THAT REVENUE  
7 ESTIMATING CONFERENCE FOR REVENUES UNDER THIS ACT FOR THAT STATE  
8 FISCAL YEAR EXCEEDS THE REVENUES UNDER THIS ACT FOR THE STATE  
9 FISCAL YEAR IMMEDIATELY PRECEDING THE STATE FISCAL YEAR IN WHICH  
10 THE REVENUE ESTIMATING CONFERENCE MEETS BY \$80,000,000.00 OR MORE,  
11 A TAXPAYER MAY CLAIM A CREDIT EQUAL TO THE FOLLOWING PERCENTAGES OF  
12 THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL PROPERTY PURCHASED IN  
13 THAT CALENDAR YEAR, IN THE TAX YEAR IMMEDIATELY FOLLOWING THE  
14 CALENDAR YEAR IN WHICH THE TANGIBLE PERSONAL PROPERTY WAS  
15 PURCHASED:

16           (A) FOR THE TAX YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE  
17 TANGIBLE PERSONAL PROPERTY IS INITIALLY SOLD AT RETAIL AND FIRST  
18 PURCHASED FROM A MANUFACTURER OR A DEALER OR DISTRIBUTOR OF THE  
19 ORIGINAL MANUFACTURER BY THE TAXPAYER, 50%.

20           (B) FOR THE TAX YEAR IMMEDIATELY FOLLOWING THE TAX YEAR IN  
21 SUBDIVISION (A), 30%.

22           (C) FOR THE TAX YEAR IMMEDIATELY FOLLOWING THE TAX YEAR IN  
23 SUBDIVISION (B), 25%.

24           (3) A PERSON THAT IS NOT OTHERWISE REQUIRED TO FILE A RETURN  
25 UNDER THIS ACT MAY CLAIM THE CREDIT UNDER THIS SECTION.

26           (4) TO QUALIFY FOR THE CREDITS UNDER THIS SECTION FOR AN ITEM  
27 OF TANGIBLE PERSONAL PROPERTY, A PERSON THAT IS OTHERWISE ELIGIBLE

1 TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION SHALL FILE WITHIN  
2 THE TIME REQUIRED THE STATEMENT OF PERSONAL PROPERTY DESCRIBED IN  
3 SECTION 19 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
4 211.19, FOR ITEMS OF TANGIBLE PERSONAL PROPERTY THAT ARE CLASSIFIED  
5 AS INDUSTRIAL PERSONAL PROPERTY FOR THE LOCATION AT WHICH THE  
6 TANGIBLE PERSONAL PROPERTY THAT IS THE BASIS OF THE CREDIT ALLOWED  
7 UNDER THIS SECTION IS LOCATED.

8 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
9 LIABILITY OF THE PERSON FOR THE TAX YEAR OR IF PERSON DOES NOT HAVE  
10 A TAX LIABILITY UNDER THIS ACT FOR THE TAX YEAR, THE EXCESS OR THE  
11 AMOUNT OF THE CREDIT SHALL BE REFUNDED OR PAID TO THE PERSON. THE  
12 STATE TREASURER SHALL ESTABLISH A RESERVE ACCOUNT IN THE DEPARTMENT  
13 TO FUND AND PROVIDE FOR PAYMENT OF THE AMOUNT OF REFUNDS OR  
14 PAYMENTS FOR CREDITS UNDER THIS SECTION THAT ARE ATTRIBUTABLE TO  
15 THE FISCAL YEARS ENDING IN THE TAX YEARS FOR WHICH CREDITS ARE  
16 CLAIMED.

17 (6) AS USED IN THIS SECTION:

18 (A) "FIRST PURCHASED" MEANS WHEN TANGIBLE PERSONAL PROPERTY  
19 WAS INITIALLY SOLD AT RETAIL AND FIRST BOUGHT FROM A MANUFACTURER  
20 OR A DEALER OR DISTRIBUTOR OF THE ORIGINAL MANUFACTURER.

21 (B) "INDUSTRIAL PERSONAL PROPERTY" MEANS PERSONAL PROPERTY  
22 CLASSIFIED AS INDUSTRIAL PERSONAL PROPERTY UNDER SECTION 34C OF THE  
23 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34C.

24 (C) "PROPERTY TAXES" MEANS ANY OF THE FOLLOWING:

25 (i) TAXES LEVIED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA  
26 206, MCL 211.1 TO 211.157.

27 (ii) TAXES LEVIED UNDER 1974 PA 198, MCL 207.551 TO 207.572.

1           (iii) TAXES LEVIED UNDER THE OBSOLETE PROPERTY REHABILITATION  
2 ACT, 2000 PA 146, MCL 125.2781 TO 125.2797.

3           (iv) ANY PAYMENTS MADE BY THE TAXPAYER PURSUANT TO A CONTRACT  
4 WITH THE MICHIGAN STRATEGIC FUND IN CONNECTION WITH THE CREATION OF  
5 A RENAISSANCE ZONE UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA  
6 376, MCL 125.2681 TO 125.2696, TO THE EXTENT THAT THOSE PAYMENTS  
7 ARE MADE BY THE TAXPAYER TO REIMBURSE ALL TAXING UNITS FOR PROPERTY  
8 TAXES THAT WOULD OTHERWISE BE EXEMPT UNDER SECTION 7FF OF THE  
9 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF.

10           Enacting section 1. This amendatory act does not take effect  
11 unless all of the following bills of the 93rd Legislature are  
12 enacted into law:

13           (a) House Bill No. 4973.

14           (b) House Bill No. 4980.

15           (c) House Bill No. 5095.

16           (d) House Bill No. 5096.

17           (e) House Bill No. 5097.

18           (f) House Bill No. 5098.

19           (g) House Bill No. 5106.

20           (h) House Bill No. 5107.

21           (i) House Bill No. 5108.