

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5459

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 35J. (1) A TAXPAYER THAT ENTERS INTO AN AGREEMENT UNDER  
2        SUBSECTION (3) AND THAT PROVIDES TRANSFERRED JOBS TO THIS STATE MAY  
3        CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 100% OF  
4        THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL PROPERTY USED IN THE  
5        PERFORMANCE OF THE TRANSFERRED JOBS. THE CREDIT ALLOWED UNDER THIS  
6        SECTION SHALL ONLY BE AVAILABLE FOR TAXES PAID THE FIRST YEAR THAT  
7        THE TAXPAYER PAYS PROPERTY TAXES ON THAT PROPERTY WHICH SHALL BE  
8        THE SAME TAX YEAR IN WHICH THE CREDIT UNDER THIS SECTION BASED ON  
9        THOSE PROPERTY TAXES IS CLAIMED.

1           (2) THE CREDIT UNDER SUBSECTION (1) CAN BE CLAIMED ONLY FOR  
2 TAXES PAID IN THE 2009 TAX YEAR.

3           (3) A TAXPAYER MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION  
4 IF THE TAXPAYER ENTERS INTO AN AGREEMENT WITH THE MICHIGAN ECONOMIC  
5 GROWTH AUTHORITY THAT STATES ALL OF THE FOLLOWING:

6           (A) THE TAXPAYER WILL PROVIDE TRANSFERRED JOBS IN THIS STATE.

7           (B) THE TAXPAYER WILL LOCATE TANGIBLE PERSONAL PROPERTY THAT  
8 WILL BE USED IN THE PERFORMANCE OF THOSE TRANSFERRED JOBS IN THIS  
9 STATE.

10          (C) THE TRANSFER OF THE JOBS AND LOCATION OF THE TANGIBLE  
11 PERSONAL PROPERTY CANNOT REASONABLY BE COMPLETED BY THE TAXPAYER  
12 BEFORE JANUARY 1, 2007.

13          (4) THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL DETERMINE IF  
14 THE TAXPAYER PROVIDES TRANSFERRED JOBS. IF THE MICHIGAN ECONOMIC  
15 GROWTH AUTHORITY DETERMINES THAT THE TAXPAYER PROVIDES TRANSFERRED  
16 JOBS, THE MICHIGAN ECONOMIC GROWTH AUTHORITY SHALL ISSUE A  
17 CERTIFICATE TO THE TAXPAYER THAT INCLUDES ALL OF THE FOLLOWING:

18           (A) THE TAXPAYER'S FEDERAL IDENTIFICATION NUMBER.

19           (B) THE NUMBER OF TRANSFERRED JOBS, AS DETERMINED BY THE  
20 MICHIGAN ECONOMIC GROWTH AUTHORITY.

21           (C) THE TAXABLE VALUE OF THE PROPERTY USED IN THE PERFORMANCE  
22 OF THE TRANSFERRED JOBS AS REPORTED BY THE TAXPAYER ON THE PROPERTY  
23 TAX STATEMENT REQUIRED BY AND FILED UNDER SECTION 19 OF THE GENERAL  
24 PROPERTY TAX ACT, 1893 PA 206, MCL 211.19.

25           (D) A STATEMENT THAT THE TRANSFER OF THE JOBS AND LOCATION OF  
26 THE TANGIBLE PERSONAL PROPERTY CANNOT REASONABLY BE COMPLETED BY  
27 THE TAXPAYER BEFORE JANUARY 1, 2007.

House Bill No. 5459 as amended December 13, 2005

1           (5) THE TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION  
2 UNLESS THE MICHIGAN ECONOMIC GROWTH AUTHORITY HAS ISSUED A  
3 CERTIFICATE TO THE TAXPAYER PURSUANT TO SUBSECTION (3). THE  
4 TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE ANNUAL RETURN REQUIRED  
5 UNDER THIS ACT ON WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED.

6           (6) IF THE TAXPAYER DOES NOT MAINTAIN THE TOTAL NUMBER OF JOBS  
7 LOCATED IN THIS STATE <<OR, IF THE JOBS QUALIFY UNDER SECTION  
8 35I(9)(E)(iii)(B), AT THE FACILITY,>> IN THE TAX YEAR IMMEDIATELY  
9 PRECEDING THE TAX  
10 YEAR IN WHICH <<THE TRANSFERRED JOBS WERE MOVED TO THIS STATE>>, FOR 3  
11 YEARS  
12 AFTER THE YEAR IN WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED,  
13 THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED  
14 UNDER THIS SECTION SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE  
15 TAXPAYER IN THAT YEAR:

16           (A) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE FIRST YEAR  
17 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED, 100%.

18           (B) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE SECOND YEAR  
19 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND SUBDIVISION (A)  
20 DID NOT APPLY, 67%.

21           (C) IF THE TOTAL NUMBER OF JOBS IS LESS DURING THE THIRD YEAR  
22 AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND IF NEITHER  
23 SUBDIVISION (A) NOR (B) APPLIED, 33%.

24           (7) PERSONAL PROPERTY TAXES USED TO CALCULATE A CREDIT UNDER  
25 THIS SECTION SHALL NOT BE USED TO CALCULATE A CREDIT UNDER SECTION  
26 35D, 35F, 35G, OR 35H.

27           (8) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCULATED  
AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS ACT.

          (9) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE  
TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION OF THE

1 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

2 (10) AS USED IN THIS SECTION, "PROPERTY TAXES" AND  
3 "TRANSFERRED JOBS" MEAN THOSE TERMS AS DEFINED IN SECTION 35I.

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

- 7 (a) Senate Bill No. 203.
- 8 (b) Senate Bill No. 909.
- 9 (c) Senate Bill No. 910.
- 10 (d) House Bill No. 4982.
- 11 (e) House Bill No. 5460.
- 12 (f) House Bill No. 5461.