

HOUSE BILL No. 4128

February 1, 2005, Introduced by Rep. Mortimer and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 31b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 31B. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT,
2 FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2005, A QUALIFIED
3 BUSINESS SHALL HAVE NO TAX LIABILITY UNDER THIS ACT FOR THE 3
4 CONSECUTIVE TAX YEARS THAT BEGIN WITH THE FIRST YEAR OF OPERATION
5 OF THE BUSINESS.

6 (2) A QUALIFIED BUSINESS UNDER THIS SECTION IS NOT REQUIRED TO
7 FILE A NOTICE OF NO FILING WITH THE DEPARTMENT FOR THE 3 TAX YEARS
8 DURING WHICH IT HAS NO TAX LIABILITY UNDER THIS SECTION.

9 (3) A QUALIFIED BUSINESS UNDER THIS SECTION SHALL NOT CLAIM

1 ANY OF THE CREDITS ALLOWED UNDER THIS ACT FOR THE 3 TAX YEARS
2 DURING WHICH IT HAS NO TAX LIABILITY UNDER THIS SECTION.

3 (4) AS USED IN THIS SECTION, "QUALIFIED BUSINESS" MEANS A
4 BUSINESS THAT MEETS ALL OF THE FOLLOWING CRITERIA:

5 (A) IS OWNED, REGISTERED, AND FUNCTIONING IN THIS STATE.

6 (B) IS NOT A SUBSIDIARY OR PARENT COMPANY OF ANY OTHER
7 BUSINESS ENTITY.

8 (C) BEGAN ITS BUSINESS OPERATION AFTER DECEMBER 31, 2005.

9 (D) HAS 20 OR FEWER FULL-TIME EQUIVALENT EMPLOYEES DURING THE
10 3 TAX YEARS IT HAS NO TAX LIABILITY UNDER THIS SECTION.