

# HOUSE BILL No. 5459

November 29, 2005, Introduced by Reps. Moore, Hildenbrand, Hoogendyk, Brandenburg, Drolet, Gosselin, Palmer, Kooiman, Pavlov, Farhat, LaJoy, Ward, Huizenga, Marleau, Mortimer, Robertson, Stakoe, Stahl, Sheen, Steil, Shaffer, Hummel, Kahn, Moolenaar, Booher, Taub, Vander Veen, Pearce, Nitz, Elsenheimer, Baxter, Acciavatti and Schuitmaker 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 35j.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 35J. (1) A TAXPAYER THAT PROVIDES TRANSFERRED JOBS TO  
2        THIS STATE MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT  
3        EQUAL TO 100% OF THE PROPERTY TAXES PAID ON TANGIBLE PERSONAL  
4        PROPERTY THE USE OF WHICH IS DIRECTLY RELATED TO THE TRANSFERRED  
5        JOBS. THE CREDIT ALLOWED UNDER THIS SECTION SHALL ONLY BE AVAILABLE  
6        FOR TAXES PAID THE FIRST YEAR THAT THE TAXPAYER PAYS PROPERTY TAXES  
7        ON THAT PROPERTY WHICH SHALL BE THE SAME TAX YEAR IN WHICH THE  
8        CREDIT UNDER THIS SECTION BASED ON THOSE PROPERTY TAXES IS CLAIMED.  
9        (2) THE CREDIT UNDER SUBSECTION (1) CAN BE CLAIMED ONLY FOR  
10       TAXES PAID IN THE 2009 TAX YEAR.

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

4           (A) THE TAXPAYER WILL PROVIDE TRANSFERRED JOBS IN THIS STATE  
5 IN EXCESS OF THE NUMBER OF JOBS THE TAXPAYER MAINTAINED IN THIS  
6 STATE IN THE IMMEDIATELY PRECEDING TAX YEAR.

7           (B) THE TAXPAYER WILL LOCATE TANGIBLE PERSONAL PROPERTY THE  
8 USE OF WHICH IS DIRECTLY RELATED TO 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 ISSUE A  
14 CERTIFICATE TO THE TAXPAYER CERTIFYING THAT THE CRITERIA UNDER  
15 SUBSECTION (3) HAVE BEEN MET, AND THE TAXPAYER SHALL ATTACH THE  
16 CERTIFICATE TO THE ANNUAL RETURN REQUIRED UNDER THIS ACT ON WHICH  
17 THE CREDIT UNDER THIS SECTION IS CLAIMED.

18          (5) IF THE TAXPAYER DOES NOT MAINTAIN THE TOTAL NUMBER OF  
19 TRANSFERRED JOBS LOCATED IN THIS STATE FOR 3 YEARS AFTER THE YEAR  
20 IN WHICH A CREDIT UNDER THIS SECTION WAS CLAIMED, THE FOLLOWING  
21 PERCENTAGE OF THE CREDIT AMOUNT PREVIOUSLY CLAIMED UNDER THIS  
22 SECTION SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE TAXPAYER IN  
23 THAT YEAR:

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

26          (B) IF THE TOTAL NUMBER OF TRANSFERRED JOBS IS LESS DURING THE  
27 SECOND YEAR AFTER THE YEAR IN WHICH THE CREDIT WAS CLAIMED AND

1 SUBDIVISION (A) DID NOT APPLY, 67%.

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

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

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

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