

Act No. 206  
Public Acts of 2007  
Approved by the Governor  
December 27, 2007  
Filed with the Secretary of State  
December 27, 2007  
EFFECTIVE DATE: January 1, 2008

**STATE OF MICHIGAN  
94TH LEGISLATURE  
REGULAR SESSION OF 2007**

Introduced by Reps. Bieda, Condino and Wenke

# ENROLLED HOUSE BILL No. 5412

AN ACT to amend 2007 PA 36, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations," (MCL 208.1101 to 208.1601) by adding section 453.

*The People of the State of Michigan enact:*

Sec. 453. (1) An eligible taxpayer may claim a credit against the tax imposed by this act equal to the eligible taxpayer's tax liability attributable to the activities as an eligible taxpayer for the tax year after claiming any other credits allowed under this act multiplied by a fraction, the numerator of which is the total activity of the private equity fund manager conducted in this state during the tax year and the denominator of which is the total activity of the private equity fund manager conducted everywhere during the tax year.

(2) For purposes of this section, the location of the activity of the private equity fund manager is based on the location of the office from which the fund manager conducts management activity for the eligible taxpayer.

(3) As used in this section:

(a) "Accredited investor" means that term as defined under section 2 of the securities act of 1933, 15 USC 77b.

(b) "Eligible taxpayer" means a taxpayer that is a private equity fund which serves as a conduit for the investment of private securities not listed on a public exchange by accredited investors or qualified purchasers at any time during which the investment is acquired or subsequently used to claim the credit under this section.

(c) "Private equity fund manager" means the person or persons responsible for the management of the investments of the eligible taxpayer.

(d) "Qualified purchaser" means that term as defined under section 2 of the investment company act of 1940, 15 USC 80a-2.

Enacting section 1. This amendatory act takes effect January 1, 2008.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives

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Secretary of the Senate

Approved -----

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Governor