

# HOUSE BILL No. 5390

September 17, 2009, Introduced by Rep. Cushingberry and referred to the Committee on Tax Policy.

A bill to amend 1905 PA 282, entitled

"An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act,"

by amending section 13b (MCL 207.13b), as added by 2002 PA 50; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 13b. (1) Subject to subsections (2), (3), and (4), a

1 company shall be allowed a credit against the tax imposed under  
2 this act for the tax year equal to **THE FOLLOWING:**

3 **(A) BEFORE JANUARY 1, 2010,** 6% of eligible expenditures  
4 incurred in the calendar year immediately preceding the tax year  
5 for which the credit under this subsection is claimed.

6 **(B) AFTER DECEMBER 31, 2009, 7% OF ELIGIBLE EXPENDITURES**  
7 **INCURRED IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE TAX YEAR**  
8 **FOR WHICH THE CREDIT UNDER THIS SUBSECTION IS CLAIMED.**

9 (2) The amount of the credit under subsection (1) shall be  
10 limited as follows:

11 (a) For the 2003 tax year, the credit shall not exceed 3% of  
12 the company's liability for the tax levied under this act in the  
13 2003 tax year.

14 (b) For the 2004 tax year, the credit shall not exceed the  
15 greater of 6% of the company's liability for the tax levied under  
16 this act in the 2004 tax year or 100% of the credit the company  
17 received under this subsection in the 2003 tax year.

18 (c) For the 2005 tax year, the credit shall not exceed the  
19 greater of 9% of the company's liability for the tax levied under  
20 this act in the 2005 tax year or 100% of the credit the company  
21 received under this subsection in the 2004 tax year.

22 (d) For the 2006 tax year and each year after the 2006 tax  
23 year, the credit shall not exceed the greater of 12% of the  
24 company's liability for the tax levied under this act in the tax  
25 year in which the credit is claimed or 100% of the credit the  
26 company received under this subsection in the immediately preceding  
27 tax year.

1           (3) The amount of the credit under subsection (1) shall not  
2 exceed a company's liability for the tax levied under this act in  
3 the tax year in which the credit is claimed.

4           (4) A credit under subsection (1) may not be claimed by a  
5 company in a tax year in which 1 or more of the following  
6 conditions apply:

7           (a) The company is not subject to the annual maintenance fee  
8 required under section 8 of the metropolitan extension  
9 telecommunications rights-of-way oversight act, **2002 PA 48, MCL**  
10 **484.3108**.

11           (b) The company is subject to the annual maintenance fees  
12 required under section 8 of the metropolitan extension  
13 telecommunications rights-of-way oversight act, **2002 PA 48, MCL**  
14 **484.3108**, and has failed to pay the annual maintenance fees that  
15 are due and payable as of May 1 in that year.

16           (5) After any credit under subsection (1) is determined, a  
17 company shall be allowed a credit against any remaining tax imposed  
18 under this act equal to the credit allowed under section 8 of the  
19 metropolitan extension telecommunications rights-of-way oversight  
20 act, **2002 PA 48, MCL 484.3108**, less the amount of any credit  
21 determined under subsection (1). If the credit allowed under this  
22 subsection for the tax year and any unused carryforward of the  
23 credit allowed by this subsection exceed the company's remaining  
24 tax liability for the tax year after any credit under subsection  
25 (1) is determined, that portion of the credit that exceeds the  
26 remaining tax liability for the tax year shall not be refunded but  
27 may be carried forward to offset any tax liability in subsequent

1 tax years that remains after any credit claimed under subsection  
2 (1) in that subsequent tax year is determined until used up. A  
3 credit may not be claimed under this subsection in a tax year in  
4 which 1 or more of the conditions set forth in subsection (4)  
5 apply.

6 (6) A company may apply for the credit under subsection (1) by  
7 submitting to the state board of assessors an application in a form  
8 prescribed by the state board of assessors at the time the annual  
9 report required under section 6 is due.

10 (7) A company may apply for the credit under subsection (5) by  
11 submitting to the state board of assessors an application in a form  
12 prescribed by the state board of assessors before May 1.

13 (8) As used in this section:

14 (a) "Eligible expenditures" means expenditures made by a  
15 company to purchase and install eligible equipment after December  
16 31, 2001.

17 (b) "Eligible equipment" means property placed into service in  
18 this state for the first time with information carrying capability  
19 in excess of 200 kilobits per second in both directions.

20 Enacting section 1. Section 13b of 1905 PA 282, MCL 207.13b,  
21 is repealed December 31, 2010.