

INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

206.603 Definitions; A, B.

Sec. 603. (1) "Affiliated group" means that term as defined in section 1504 of the internal revenue code except that it shall include all United States persons that are corporations, insurance companies, or financial institutions, other than a foreign operating entity, that are commonly owned, directly or indirectly, by any member of such affiliated group and other members of which more than 50% of the ownership interests with voting rights or ownership interests that confer comparable rights to voting rights of the member is directly or indirectly owned by a common owner or owners.

(2) "Business activity" means a transfer of legal or equitable title to or rental of property, whether real, personal, or mixed, tangible or intangible, or the performance of services, or a combination thereof, made or engaged in, or caused to be made or engaged in, whether in intrastate, interstate, or foreign commerce, with the object of gain, benefit, or advantage, whether direct or indirect, to the taxpayer or to others, but does not include the services rendered by an employee to his or her employer or services as a director of a corporation. Although an activity of a taxpayer may be incidental to another or to others of his or her business activities, each activity shall be considered to be business engaged in within the meaning of this part.

(3) "Business income" means federal taxable income. For a tax-exempt taxpayer, business income means only that part of federal taxable income derived from unrelated business activity.

History: Add. 2011, Act 38, Eff. Jan. 1, 2012;—Am. 2011, Act 173, Eff. Jan. 1, 2012;—Am. 2013, Act 266, Imd. Eff. Dec. 30, 2013.

Compiler's note: Enacting section 1 of Act 266 of 2013 provides:

"Enacting section 1. This amendatory act is effective for tax years that begin after December 31, 2012."