

## **SINGLE BUSINESS TAX ACT (EXCERPT)**

### **Act 228 of 1975**

\*\*\*\*\* 208.21 THIS SECTION IS REPEALED BY ACT 325 OF 2006 EFFECTIVE DECEMBER 31, 2007  
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#### **208.21 Tax base of financial organizations.**

Sec. 21. (1) Except as otherwise provided in this act, the tax base of a financial organization is business income subject to the adjustments provided in section 9, with the exception of section 9(4)(f) and (7)(b), plus the following adjustments:

(a) Deduct, to the extent included in federal taxable income, interest income derived from obligations of the United States which this state is by federal law prohibited from subjecting to taxation, other than nondiscriminatory franchise or nonproperty taxes.

(b) For tax years ending after 1984, add expenses deducted from federal taxable income, to the extent not included in the tax base under this act, multiplied by a fraction, the numerator of which is the sum of interest income deducted under subdivision (a) plus interest from Michigan obligations and the denominator of which is total interest income. For tax years ending in 1985, in addition, add expenses deducted from federal taxable income in tax year 1984, to the extent not included in the tax base under this act, multiplied by a fraction, the numerator of which is the sum of interest income deducted in tax year 1984 under subdivision (a) plus interest income from Michigan obligations in tax year 1984 and the denominator of which is total interest income in tax year 1984. For tax years after 1984, the amount of an addition under this subdivision shall not exceed the amount of a deduction under subdivision (a), except for tax years ending in 1985 in which the addition shall not exceed the amount deducted under subdivision (a) in tax year 1984 plus the amount deducted under subdivision (a) in tax year 1985.

(2) In calculating its tax base, a financial organization that is defined or treated as a regulated investment company under the internal revenue code is not subject to the adjustments provided in section 9(2), (4)(d), and (7)(a).

**History:** 1975, Act 228, Eff. Jan. 1, 1976;—Am. 1976, Act 389, Imd. Eff. Dec. 30, 1976;—Am. 1984, Act 360, Eff. Mar. 29, 1985;—Am. 1990, Act 65, Imd. Eff. Apr. 24, 1990.