

Act No. 125  
Public Acts of 1993  
Approved by the Governor  
July 21, 1993  
Filed with the Secretary of State  
July 21, 1993

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1993**

Introduced by Senator Schwarz

# **ENROLLED SENATE BILL No. 607**

AN ACT to amend section 11 of chapter 2 of Act No. 284 of the Public Acts of 1964, entitled "An act to permit the imposition and collection by cities of an excise tax levied on or measured by income; to provide the procedure including referendums for, and to require the adoption of a prescribed uniform city income tax ordinance by cities desiring to impose and collect such a tax; to limit the imposition and collection by cities and villages of excise taxes levied on or measured by income; to prescribe the powers and duties of the state commissioner of revenue; and to provide for appeals of income tax matters," as amended by Act No. 276 of the Public Acts of 1992, being section 141.611 of the Michigan Compiled Laws; to add section 11b to chapter 2; and to repeal certain parts of the act on a specific date.

*The People of the State of Michigan enact:*

Section 1. Section 11 of chapter 2 of Act No. 284 of the Public Acts of 1964, as amended by Act No. 276 of the Public Acts of 1992, being section 141.611 of the Michigan Compiled Laws, is amended and section 11b is added to chapter 2 to read as follows:

## **CHAPTER 2**

Sec. 11. Subject to the exclusions, adjustments, exemptions and deductions herein provided, an annual tax of 1% on corporations and resident individuals and of 1/2% on nonresident individuals for general revenue purposes and the purposes provided for in sections 11a and 11b is hereby imposed as an excise on income earned and received on and after the effective date of this ordinance.

Sec. 11b. (1) A city that is a qualified local unit of government, as defined by the federal data facility act, may adopt an ordinance or resolution, or may enter into an agreement with a qualified local unit of government other than the city, to dedicate and transfer funds in the 1994 through 2003 tax years in an amount determined pursuant to subsection (3) solely and to the extent necessary for the purposes authorized for the use of the federal data facility fund created by the federal data facility act.

(2) If a city adopts an ordinance or resolution or enters into an agreement pursuant to subsection (1), the use or transfer of any funds dedicated or to be transferred shall commence and continue until any bonds, obligations, or other evidences of indebtedness for which the funds are pledged are fully paid or the authorized purpose is otherwise completed but not after the 2003 tax year.

(3) The amount dedicated or to be transferred by a city each year pursuant to subsection (1) shall equal the amount of withheld tax remitted by a qualified employer pursuant to section 60, as reconciled pursuant to section 61, for all qualified employees.

(4) As used in this section:

(a) "Qualified employee" means a person who meets both of the following criteria:

(i) Is employed by a qualified employer.

(ii) His or her principal workplace is a qualified facility.

(b) "Qualified employer" means the federal government.

(c) "Qualified facility" and "qualified local unit of government" mean those terms as defined in the federal data facility act.

Section 2. Except as otherwise provided in this enacting section, this amendatory act shall take effect on January 1, 1994. This amendatory act shall not take effect if either of the following occurs before January 1, 1994:

(a) The qualified facility is on the final list of base or facility closures submitted by the defense base realignment and closure commission (BRAC) to the president of the United States.

(b) The qualified facility is on the list of base or facility closures submitted by the president of the United States to congress.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Co-Clerk of the House of Representatives.

Approved -----

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Governor.