



SENATE BILL No. 145

January 26, 1993, Introduced by Senators CISKY, SCHWARZ, EMMONS, DUNASKISS, EHLERS, DILLINGHAM, MC MANUS, DI NELLO and WELBORN and referred to the Committee on Local Government and Urban Development.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled "Single business tax act," as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 39b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 39b to read as follows:

4 SEC. 39B. (1) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER
5 1993, A QUALIFIED BUSINESS MAY CLAIM A CREDIT FOR A PERCENTAGE OF
6 THE WAGES, AS DETERMINED UNDER SUBSECTION (2), PAID IN THE TAX
7 YEAR TO A QUALIFIED EMPLOYEE HIRED BY THE QUALIFIED BUSINESS
8 DURING THE PERIOD OF TIME IN WHICH THE BUSINESS IS LOCATED IN AN
9 ENTERPRISE ZONE AND CERTIFIED AS A QUALIFIED BUSINESS.

1 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION IS
2 10% OF THE WAGES PAID TO A QUALIFIED EMPLOYEE WHO IS A RESIDENT
3 OF THE LOCAL GOVERNMENTAL UNIT IN WHICH THE ENTERPRISE ZONE IS
4 LOCATED AND 5% OF WAGES PAID TO OTHER QUALIFIED EMPLOYEES.

5 (3) IF A TAXPAYER CLAIMS THE CREDIT ALLOWED UNDER THIS SEC-
6 TION, THE INITIAL CLAIM SHALL BE FOR WAGES PAID TO A QUALIFIED
7 EMPLOYEE IN THE TAX YEAR IN WHICH THE EMPLOYEE COMPLETES THE
8 6-MONTH EMPLOYMENT REQUIREMENT AS DESCRIBED IN SUBSECTION (6) (B)
9 AND THE TAXPAYER MAY CLAIM A CREDIT FOR WAGES PAID TO THAT
10 EMPLOYEE FOR THE SUBSEQUENT 11 YEARS.

11 (4) A QUALIFIED BUSINESS MAY NOT CLAIM A CREDIT FOR WAGES
12 PAID TO A QUALIFIED EMPLOYEE IF THE QUALIFIED BUSINESS DISCHARGES
13 AN EMPLOYEE AND REPLACES THAT EMPLOYEE WITH THE QUALIFIED
14 EMPLOYEE SOLELY TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS
15 SECTION.

16 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
17 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS
18 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
19 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
20 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
21 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
22 WHICHEVER OCCURS FIRST.

23 (6) AS USED IN THIS SECTION:

24 (A) "ENTERPRISE ZONE", "LOCAL GOVERNMENTAL UNIT", AND
25 "QUALIFIED BUSINESS" MEAN THOSE TERMS AS DEFINED IN SECTION 3 OF
26 THE ENTERPRISE ZONE ACT, ACT NO. 224 OF THE PUBLIC ACTS OF 1985,
27 BEING SECTION 125.2103 OF THE MICHIGAN COMPILED LAWS.

1 (B) "QUALIFIED EMPLOYEE" MEANS A PERSON WHO IS EMPLOYED IN
2 AN ENTERPRISE ZONE ESTABLISHED AFTER 1991 BY A QUALIFIED BUSINESS
3 LOCATED IN THAT ENTERPRISE ZONE AND IS SO EMPLOYED FOR AT LEAST 6
4 CONSECUTIVE MONTHS AFTER THE DATE OF HIRE AND FOR AT LEAST 780
5 HOURS DURING THAT 6-MONTH PERIOD.

6 (C) "RESIDENT" MEANS AN INDIVIDUAL WHO HAS HIS OR HER TRUE,
7 FIXED, AND PERMANENT HOME AND PRINCIPAL ESTABLISHMENT TO WHICH
8 THE INDIVIDUAL INTENDS TO RETURN WHENEVER ABSENT IN THE LOCAL
9 GOVERNMENTAL UNIT IN WHICH THE ENTERPRISE ZONE IS LOCATED. AN
10 INDIVIDUAL IS A RESIDENT UNTIL THE INDIVIDUAL ESTABLISHES A PER-
11 MANENT HOME OR PRINCIPAL ESTABLISHMENT OUTSIDE THAT LOCAL GOVERN-
12 MENTAL UNIT.