



# SENATE BILL No. 607

May 4, 1993, Introduced by Senator SCHWARZ and referred  
to the Committee on Finance.

A bill to amend section 11 of chapter 2 of Act No. 284 of  
the Public Acts of 1964, entitled  
"City income tax act,"  
as amended by Act No. 276 of the Public Acts of 1992, being sec-  
tion 141.611 of the Michigan Compiled Laws; and to add section  
11b to chapter 2.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1

## CHAPTER 2

2       Sec. 11. Subject to the exclusions, adjustments, exemptions  
3 and deductions herein provided, an annual tax of 1% on corpora-  
4 tions and resident individuals and of 1/2% on nonresident indi-  
5 viduals for general revenue purposes and the purposes provided  
6 for in ~~section~~ SECTIONS 11a AND 11B is hereby imposed as an  
7 excise on income earned and received on and after the effective  
8 date of this ordinance.

9       SEC. 11B. (1) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER  
10 1993, A CITY THAT IS A QUALIFIED LOCAL UNIT OF GOVERNMENT, AS  
11 DEFINED BY THE FEDERAL DATA FACILITY ACT, MAY ADOPT AN ORDINANCE  
12 OR RESOLUTION, OR MAY ENTER INTO AN AGREEMENT WITH A QUALIFIED  
13 LOCAL UNIT OF GOVERNMENT OTHER THAN THE CITY, TO DEDICATE AND  
14 TRANSFER FUNDS IN AN AMOUNT DETERMINED PURSUANT TO SUBSECTION (3)  
15 SOLELY AND TO THE EXTENT NECESSARY FOR THE PURPOSES AUTHORIZED  
16 FOR THE USE OF THE FEDERAL DATA FACILITY FUND CREATED BY THE FED-  
17 ERAL DATA FACILITY ACT.

18       (2) WHEN A CITY ADOPTS AN ORDINANCE OR RESOLUTION OR ENTERS  
19 INTO AN AGREEMENT PURSUANT TO SUBSECTION (1), THE USE OR TRANSFER  
20 OF ANY FUNDS DEDICATED OR TO BE TRANSFERRED SHALL COMMENCE AND  
21 CONTINUE UNTIL ANY BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF  
22 INDEBTEDNESS FOR WHICH THE FUNDS ARE PLEDGED ARE FULLY PAID.

23       (3) THE AMOUNT DEDICATED OR TO BE TRANSFERRED BY A CITY EACH  
24 YEAR PURSUANT TO SUBSECTION (1) SHALL EQUAL THE AMOUNT OF WITH-  
25 HELD TAX REMITTED BY A QUALIFIED EMPLOYER PURSUANT TO SECTION 60,  
26 AS RECONCILED PURSUANT TO SECTION 61, FOR ALL QUALIFIED  
27 EMPLOYEES.

1 (4) AS USED IN THIS SECTION:

2 (A) "QUALIFIED EMPLOYEE" MEANS A PERSON WHO MEETS BOTH OF  
3 THE FOLLOWING CRITERIA:

4 (i) IS EMPLOYED BY A QUALIFIED EMPLOYER.

5 (ii) HIS OR HER PRINCIPAL WORKPLACE IS A QUALIFIED  
6 FACILITY.

7 (B) "QUALIFIED EMPLOYER" MEANS THE FEDERAL GOVERNMENT.

8 (C) "QUALIFIED FACILITY" AND "QUALIFIED LOCAL UNIT OF  
9 GOVERNMENT" MEAN THOSE TERMS AS DEFINED IN THE FEDERAL DATA  
10 FACILITY ACT.