

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Rep. Farhat

ENROLLED HOUSE BILL No. 5345

AN ACT to amend 1964 PA 284, entitled "An act to permit the imposition and collection by cities of an excise tax levied on or measured by income; to permit the collection and administration of the tax by the state; 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 certain state and municipal agencies, departments, and officials; to establish the city income tax trust fund; to provide for appeals; and to prescribe penalties and provide remedies," (MCL 141.501 to 141.787) by adding section 35a to chapter 2.

The People of the State of Michigan enact:

CHAPTER 2

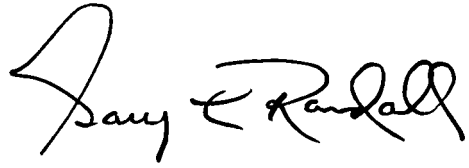
Sec. 35a. (1) The credit under this section is effective for a city that, not more than 90 days after the effective date of the amendatory act that added this section, adopts a resolution to include this section in this ordinance.

(2) For tax years that begin after December 31, 2004, a taxpayer that is a qualified start-up business may claim a credit against the tax imposed by this act each tax year equal to the taxpayer's tax liability attributable to that qualified start-up business for the tax year in each of the 5 consecutive tax years beginning with the first tax year in which the qualified start-up business claims a credit under section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 51f of the income tax act of 1967, 1967 PA 281, MCL 206.51f.

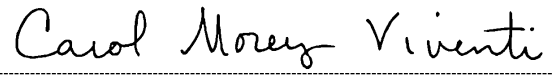
(3) As used in this section, "qualified start-up business" means that term as defined in section 31a of the single business tax act, 1975 PA 228, MCL 208.31a.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5331 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor