

SENATE BILL No. 409

April 24, 2003, Introduced by Senator EMERSON and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 12 (MCL 206.12), as amended by 1996 PA 484.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) "Flow-through entity" means an S corporation,
2 partnership, limited partnership, limited liability partnership,
3 or limited liability company.

4 (2) ~~(1)~~ "Gross income" means gross income as defined in the
5 internal revenue code.

6 (3) ~~(2)~~ "Internal revenue code" means the United States
7 internal revenue code of 1986 in effect on January 1, 1996 or at
8 the option of the taxpayer, in effect for the tax year.

9 (4) "Member of a flow-through entity" means a shareholder of
10 an S corporation; a partner in a partnership or limited
11 partnership; or a member of a limited liability company.

1 (5) "Nonresident member" means any of the following that is a
2 member of a flow-through entity:

3 (a) An individual who is not domiciled in this state.

4 (b) A nonresident estate or trust.

5 (c) A flow-through entity with a nonresident member.

6 Enacting section 1. This amendatory act takes effect
7 October 1, 2003.

8 Enacting section 2. This amendatory act does not take
9 effect unless Senate Bill No. 404

10 of the 92nd Legislature is enacted into
11 law.