

**SUBSTITUTE FOR
SENATE BILL NO. 1053**

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 511 (MCL 208.1511).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 511. A unitary business group shall file a combined
2 return that includes each United States person, other than a
3 foreign operating entity, that is included in the unitary business
4 group. Each United States person included in a unitary business
5 group or included in a combined return shall be treated as a single
6 person and all transactions between those persons included in the
7 unitary business group shall be eliminated from the business income
8 tax base, modified gross receipts tax base, and the apportionment
9 formula under this act. If a United States person included in a
10 unitary business group or included in a combined return is subject

1 to the tax under chapter 2A or 2B, any business income attributable
2 to that person shall be eliminated from the business income tax
3 base, any modified gross receipts attributable to that person shall
4 be eliminated from the modified gross receipts tax base, and any
5 sales attributable to that person shall be eliminated from the
6 apportionment formula under this act. **A UNITARY BUSINESS GROUP MAY**
7 **ELECT TO INCLUDE ANOTHER PERSON THAT WOULD NOT OTHERWISE BE**
8 **INCLUDED IN THE UNITARY BUSINESS GROUP AS LONG AS THAT PERSON MEETS**
9 **THE OWNERSHIP REQUIREMENTS OF A UNITARY BUSINESS GROUP. THE**
10 **ELECTION TO INCLUDE ANOTHER PERSON THAT WOULD NOT OTHERWISE BE**
11 **INCLUDED IN THE UNITARY BUSINESS GROUP SHALL BE FOR A PERIOD OF NOT**
12 **LESS THAN 5 YEARS.**