

HOUSE BILL No. 5412

November 7, 2007, Introduced by Reps. Bieda, Condino and Wenke and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 451.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 451. (1) AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST
2 THE TAX IMPOSED BY THIS ACT EQUAL TO THE ELIGIBLE TAXPAYER'S TAX
3 LIABILITY FOR THE TAX YEAR AFTER CLAIMING ANY OTHER CREDITS ALLOWED
4 UNDER THIS ACT MULTIPLIED BY A FRACTION, THE NUMERATOR OF WHICH IS
5 THE TOTAL ACTIVITY OF THE PRIVATE EQUITY FUND MANAGER CONDUCTED IN
6 THIS STATE DURING THE TAX YEAR AND THE DENOMINATOR OF WHICH IS THE
7 TOTAL ACTIVITY OF THE PRIVATE EQUITY FUND MANAGER CONDUCTED
8 EVERYWHERE DURING THE TAX YEAR.

9 (2) FOR PURPOSES OF THIS SECTION, THE LOCATION OF THE ACTIVITY

1 OF THE PRIVATE EQUITY FUND MANAGER IS BASED ON THE LOCATION OF THE
2 OFFICE FROM WHICH THE FUND MANAGER CONDUCTS MANAGEMENT ACTIVITY FOR
3 THE ELIGIBLE TAXPAYER.

4 (3) AS USED IN THIS SECTION:

5 (A) "ACCREDITED INVESTOR" MEANS THAT TERM AS DEFINED UNDER
6 SECTION 77B OF THE INTERNAL REVENUE CODE.

7 (B) "ELIGIBLE TAXPAYER" MEANS A TAXPAYER THAT IS A PRIVATE
8 EQUITY FUND WHICH SERVES AS A CONDUIT FOR THE INVESTMENT OF PRIVATE
9 SECURITIES NOT LISTED ON A PUBLIC EXCHANGE BY ACCREDITED INVESTORS
10 OR QUALIFIED PURCHASERS.

11 (C) "PRIVATE EQUITY FUND MANAGER" MEANS THE PERSON OR PERSONS
12 RESPONSIBLE FOR THE MANAGEMENT OF THE INVESTMENTS OF THE ELIGIBLE
13 TAXPAYER.

14 (D) "QUALIFIED PURCHASER" MEANS THAT TERM AS DEFINED UNDER
15 SECTION 80A-2 OF THE INTERNAL REVENUE CODE.

16 Enacting section 1. This amendatory act takes effect January
17 1, 2008.