

**INCOME TAX ACT OF 1967 (EXCERPT)**  
**Act 281 of 1967**

**206.845 Classification as disregarded entity for federal income tax purposes; treatment of certain conversions into a limited liability company.**

Sec. 845.

Notwithstanding any other provision of this act, both of the following apply:

(a) A person that is a disregarded entity for federal income tax purposes under the internal revenue code is classified as a disregarded entity for purposes of this part.

(b) A person that converts into a limited liability company under section 7 of 1883 PA 129, MCL 484.7, is treated as a corporation for purposes of this part unless that converted entity is a disregarded entity for federal income tax filing purposes under the internal revenue code and its regarded owner is treated as a corporation for state and federal income tax purposes.

**History:** Add. 2021, Act 135, Imd. Eff. Dec. 21, 2021 ;-- Am. 2024, Act 177, Imd. Eff. Dec. 23, 2024

**Compiler's Notes:** Enacting section 1 of Act 135 of 2021 provides: "Enacting section 1. This amendatory act is retroactive and intended to apply retroactively effective for tax years beginning on and after January 1, 2021."