

SENATE BILL NO. 393

April 27, 2021, Introduced by Senator DALEY and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding sections 279 and 679.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 279. (1) For the 2020 and 2021 tax years, a qualified
2 taxpayer that was forced to close its afflicted business for at
3 least 6 weeks during the tax year due to an executive order issued
4 by the governor or an emergency order issued by the department of
5 health and human services and that afflicted business has a
6 certified loss in gross receipts revenue of 25% or more during the

1 tax year may claim a credit against the tax imposed by this part in
2 an amount equal to the total property taxes levied and collected
3 for that same calendar year on the qualified taxpayer's property
4 used in connection with the operation of the qualified taxpayer's
5 afflicted business. A qualified taxpayer who rents or leases
6 property used in connection with the operation of the qualified
7 taxpayer's afflicted business that is subject to property taxes may
8 claim a similar credit based on 23% of the gross rent paid during
9 the tax year. For a qualified taxpayer who is a member of a flow-
10 through entity that owns and operates an afflicted business that
11 qualifies for the credit under this section, that qualified
12 taxpayer may claim a credit against the member's tax liability
13 under this part based on the member's distributive share of
14 business income reported from that flow-through entity or an
15 alternative method approved by the department.

16 (2) The department shall prescribe the form and manner in
17 which a qualified taxpayer shall claim a credit under this section.
18 The department may require reasonable proof from the taxpayer in
19 order to verify the length of closure and reported revenue loss
20 claimed to qualify for the credit under this section.

21 (3) If the amount of the credit allowed under this section
22 exceeds the tax liability of the qualified taxpayer for the tax
23 year, that excess shall be refunded.

24 (4) As used in this section:

25 (a) "Afflicted business" means any of the following businesses
26 whose primary operation is any of the following:

27 (i) An entertainment venue.

28 (ii) An exercise facility.

29 (iii) A food service establishment.

1 (iv) A recreation facility or place of public amusement.

2 (v) A cosmetology shop or barber shop.

3 (vi) A nursery dealer or nursery grower.

4 (vii) An athletic trainer.

5 (viii) A body art facility.

6 (ix) A hotel or bed and breakfast.

7 (b) "Bed and breakfast" means that term as defined in

8 section 4b of the Stille-DeRossett-Hale single state

9 construction code act, 1972 PA 230, MCL 125.1504b.

10 (c) "Entertainment venue" includes an auditorium, arena,
11 banquet hall, cinema, concert hall, conference center, performance
12 venue, sporting venue, stadium, or theater.

13 (d) "Exercise facility" means a facility in which individuals
14 participate in individual or group physical activity, including a
15 gymnasium, fitness center, or exercise studio.

16 (e) "Food service establishment" means that term as defined in
17 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

18 (f) "Gross receipts" means that term as defined in section
19 607.

20 (g) "Hotel" means a building or structure kept, used,
21 maintained as, or held out to the public to be an inn, hotel,
22 or public lodging house. Hotel does not include a bed and
23 breakfast as defined in section 4b of the Stille-DeRossett-
24 Hale single state construction code act, 1972 PA 230, MCL
25 125.1504b.

26 (h) "Qualified taxpayer" means a taxpayer that owns and
27 operates an afflicted business or a taxpayer that is a member
28 of a flow-through entity that owns and operates an afflicted
29 business.

1 (i) "Recreation facility or place of public amusement"
2 includes an amusement park, arcade, bingo hall, bowling alley,
3 casino, nightclub, skating rink, water park, or trampoline park.

4 Sec. 679. (1) For the 2020 and 2021 tax years, a qualified
5 taxpayer that was forced to close its afflicted business for at
6 least 6 weeks during the tax year due to an executive order issued
7 by the governor or an emergency order issued by the department of
8 health and human services and that afflicted business has a
9 certified loss in gross receipts revenue of 25% or more during any
10 the tax year may claim a credit against the tax imposed by this
11 part in an amount equal to the total property taxes levied and
12 collected for that same calendar year on the qualified taxpayer's
13 property used in connection with the operation of the qualified
14 taxpayer's afflicted business. A qualified taxpayer who rents or
15 leases property used in connection with the operation of the
16 qualified taxpayer's afflicted business that is subject to property
17 taxes may claim a similar credit based on 23% of the gross rent
18 paid during the tax year.

19 (2) The department shall prescribe the form and manner in
20 which a qualified taxpayer shall claim a credit under this section.
21 The department may require reasonable proof from the taxpayer in
22 order to verify the length of closure and reported revenue loss
23 claimed to qualify for the credit under this section.

24 (3) If the amount of the credit allowed under this section
25 exceeds the tax liability of the qualified taxpayer for the tax
26 year, that excess shall be refunded.

27 (4) As used in this section:

28 (a) "Afflicted business" means any of the following businesses
29 whose primary operation is any of the following:

1 (i) An entertainment venue.

2 (ii) An exercise facility.

3 (iii) A food service establishment.

4 (iv) A recreation facility or place of public amusement.

5 (v) A cosmetology shop or barber shop.

6 (vi) A nursery dealer or nursery grower.

7 (vii) An athletic trainer.

8 (viii) A body art facility.

9 (ix) A hotel or bed and breakfast.

10 (b) "Bed and breakfast" means that term as defined in section
11 4b of the Stille-DeRossett-Hale single state construction code act,
12 1972 PA 230, MCL 125.1504b.

13 (c) "Entertainment venue" includes an auditorium, arena,
14 banquet hall, cinema, concert hall, conference center, performance
15 venue, sporting venue, stadium, or theater.

16 (d) "Exercise facility" means a facility in which individuals
17 participate in individual or group physical activity, including a
18 gymnasium, fitness center, or exercise studio.

19 (e) "Food service establishment" means that term as defined in
20 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

21 (f) "Gross receipts" means that term as defined in section
22 607.

23 (g) "Hotel" means a building or structure kept, used,
24 maintained as, or held out to the public to be an inn, hotel, or
25 public lodging house. Hotel does not include a bed and breakfast as
26 defined in section 4b of the Stille-DeRossett-Hale single state
27 construction code act, 1972 PA 230, MCL 125.1504b.

28 (h) "Qualified taxpayer" means a taxpayer that owns and
29 operates an afflicted business.

1 (i) "Recreation facility or place of public amusement"
2 includes an amusement park, arcade, bingo hall, bowling alley,
3 casino, nightclub, skating rink, water park, or trampoline park.

4 Enacting section 1. This amendatory act is intended to be
5 retroactive and applies retroactively to tax years that begin on
6 and after January 1, 2020.