

**SUBSTITUTE FOR  
SENATE BILL NO. 999**

A bill to amend 1905 PA 282, entitled

"An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act,"

(MCL 207.1 to 207.21) by adding section 13b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           SEC. 13B. (1) SUBJECT TO SUBSECTIONS (2), (3), AND (4), A  
2 COMPANY SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED UNDER  
3 THIS ACT FOR THE TAX YEAR EQUAL TO 6% OF ELIGIBLE EXPENDITURES

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1 INCURRED IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE TAX YEAR  
2 FOR WHICH THE CREDIT UNDER THIS SUBSECTION IS CLAIMED.

3 (2) THE AMOUNT OF THE CREDIT UNDER SUBSECTION (1) SHALL BE  
4 LIMITED AS FOLLOWS:

5 (A) FOR THE 2003 TAX YEAR, THE CREDIT SHALL NOT EXCEED 3% OF  
6 THE COMPANY'S LIABILITY FOR THE TAX LEVIED UNDER THIS ACT IN THE  
7 2003 TAX YEAR.

8 (B) FOR THE 2004 TAX YEAR, THE CREDIT SHALL NOT EXCEED THE  
9 GREATER OF 6% OF THE COMPANY'S LIABILITY FOR THE TAX LEVIED UNDER  
10 THIS ACT IN THE 2004 TAX YEAR OR 100% OF THE CREDIT THE COMPANY  
11 RECEIVED UNDER THIS SECTION IN THE 2003 TAX YEAR.

12 (C) FOR THE 2005 TAX YEAR, THE CREDIT SHALL NOT EXCEED THE  
13 GREATER OF 9% OF THE COMPANY'S LIABILITY FOR THE TAX LEVIED UNDER  
14 THIS ACT IN THE 2005 TAX YEAR OR 100% OF THE CREDIT THE COMPANY  
15 RECEIVED UNDER THIS SECTION IN THE 2004 TAX YEAR.

16 (D) FOR THE 2006 TAX YEAR AND EACH YEAR AFTER THE 2006 TAX  
17 YEAR, THE CREDIT SHALL NOT EXCEED THE GREATER OF 12% OF THE  
18 COMPANY'S LIABILITY FOR THE TAX LEVIED UNDER THIS ACT IN THE TAX  
19 YEAR IN WHICH THE CREDIT IS CLAIMED OR 100% OF THE CREDIT THE  
20 COMPANY RECEIVED UNDER THIS SECTION IN THE IMMEDIATELY PRECEDING  
21 TAX YEAR.

22 (3) THE AMOUNT OF THE CREDIT UNDER SUBSECTION (1) SHALL NOT  
23 EXCEED A COMPANY'S LIABILITY FOR THE TAX LEVIED UNDER THIS ACT IN  
24 THE TAX YEAR IN WHICH THE CREDIT IS CLAIMED.

25 (4) A CREDIT UNDER SUBSECTION (1) MAY NOT BE CLAIMED BY A  
26 COMPANY IN A TAX YEAR IN WHICH 1 OR MORE OF THE FOLLOWING  
27 CONDITIONS APPLY:

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1 (A) THE COMPANY IS NOT SUBJECT TO THE ANNUAL MAINTENANCE FEE  
2 REQUIRED UNDER SECTION 8 OF THE METROPOLITAN EXTENSION TELECOM-  
3 MUNICATIONS RIGHTS-OF-WAY OVERSIGHT ACT.

4 (B) THE COMPANY IS SUBJECT TO THE ANNUAL MAINTENANCE FEES  
5 REQUIRED UNDER SECTION 8 OF THE METROPOLITAN EXTENSION TELECOM-  
6 MUNICATIONS RIGHTS-OF-WAY OVERSIGHT ACT, AND HAS FAILED TO PAY  
7 THE ANNUAL MAINTENANCE FEES THAT ARE DUE AND PAYABLE AT THE TIME  
8 THE ANNUAL REPORT REQUIRED UNDER SECTION 6 IS DUE.

9 (5) AFTER ANY CREDIT UNDER SUBSECTION (1) IS DETERMINED, A  
10 COMPANY SHALL BE ALLOWED A CREDIT AGAINST ANY REMAINING TAX  
11 IMPOSED UNDER THIS ACT EQUAL TO THE CREDIT ALLOWED UNDER SECTION  
12 8 OF THE METROPOLITAN EXTENSION TELECOMMUNICATIONS RIGHTS-OF-WAY  
13 OVERSIGHT ACT. IF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR  
14 THE TAX YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY  
15 THIS SUBSECTION EXCEED THE COMPANY'S REMAINING TAX LIABILITY FOR  
16 THE TAX YEAR AFTER ANY CREDIT UNDER SUBSECTION (1) IS DETERMINED,  
17 THAT PORTION OF THE CREDIT THAT EXCEEDS THE REMAINING TAX LIABIL-  
18 ITY FOR THE TAX YEAR SHALL NOT BE REFUNDED BUT MAY BE CARRIED  
19 FORWARD TO OFFSET ANY TAX LIABILITY IN SUBSEQUENT TAX YEARS THAT  
20 REMAINS AFTER ANY CREDIT CLAIMED UNDER SUBSECTION (1) IN THAT  
21 SUBSEQUENT TAX YEAR IS DETERMINED UNTIL USED UP. A CREDIT MAY  
22 NOT BE CLAIMED UNDER THIS SUBSECTION IN A TAX YEAR IN WHICH 1 OR  
23 MORE OF THE CONDITIONS SET FORTH IN SUBSECTION (4) APPLY.

24 (6) A COMPANY MAY APPLY FOR THE CREDIT UNDER SUBSECTION (1)  
25 OR (5) BY SUBMITTING TO THE STATE BOARD OF ASSESSORS AN APPLICA-  
26 TION IN A FORM PRESCRIBED BY THE STATE BOARD OF ASSESSORS AT THE  
27 TIME THE ANNUAL REPORT REQUIRED UNDER SECTION 6 IS DUE.

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1 (7) AS USED IN THIS SECTION:

2 (A) "ELIGIBLE EXPENDITURES" MEANS EXPENDITURES MADE BY A  
3 COMPANY TO PURCHASE AND INSTALL ELIGIBLE EQUIPMENT AFTER DECEMBER  
4 31, 2001.

5 (B) "ELIGIBLE EQUIPMENT" MEANS PROPERTY PLACED INTO SERVICE  
6 IN THIS STATE FOR THE FIRST TIME WITH INFORMATION CARRYING CAPA-  
7 BILITY IN EXCESS OF 200 KILOBITS PER SECOND IN BOTH DIRECTIONS.

8 Enacting section 1. This amendatory act does not take  
9 effect unless Senate Bill No. 880 of the 91st Legislature is  
10 enacted into law.