

# SENATE BILL No. 680

September 15, 2011, Introduced by Senator PROOS and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 701 (MCL 206.701), as added by 2011 PA 38.

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

1       Sec. 701. As used in this part:

2       (a) "Casino" means that term as defined in section 110.

3       (b) "Casino licensee" means a person licensed to operate a  
4 casino under the Michigan gaming control and revenue act, 1996 IL  
5 1, MCL 432.201 to 432.226.

6       (c) "Eligible production company" means that term as defined  
7 under section 455 of the Michigan business tax act, 2007 PA 36, MCL  
8 208.1455.

9       (d) "Flow-through entity" means an entity that for the  
10 applicable tax year is treated as an S corporation under section

1 1362(a) of the internal revenue code, a general partnership, a  
2 limited partnership, a limited liability partnership, ~~a trust,~~ or a  
3 limited liability company, that for the applicable tax year is not  
4 taxed as a corporation for federal income tax purposes.

5 (e) "Member" means a shareholder of an S corporation, a  
6 partner in a general partnership, a limited partnership, or a  
7 limited liability partnership, a member of a limited liability  
8 company, or a beneficiary of a trust, that is a flow-through  
9 entity.

10 (f) "Nonresident" means an individual who is not a resident of  
11 or domiciled in this state, a business entity that does not have  
12 its commercial domicile in this state, or a trust not organized in  
13 this state.

14 (G) **"PARTNERSHIP" MEANS A TAXPAYER THAT IS REQUIRED TO OR HAS**  
15 **ELECTED TO FILE AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES.**

16 (H) **"PUBLICLY TRADED PARTNERSHIP" MEANS THAT TERM AS DEFINED**  
17 **UNDER SECTION 7704 OF THE INTERNAL REVENUE CODE.**

18 (I) ~~(g)~~—"Race meeting licensee" and "track licensee" mean a  
19 person to whom a race meeting license or track license is issued  
20 pursuant to section 8 of the horse racing law of 1995, 1995 PA 279,  
21 MCL 431.308.

22 (J) ~~(h)~~—"S corporation" means a corporation electing taxation  
23 under subchapter S of chapter 1 of subtitle A of the internal  
24 revenue code, sections 1361 to 1379 of the internal revenue code.

25 Enacting section 1. This amendatory act takes effect January  
26 1, 2012.