

HOUSE BILL NO. 4372

February 25, 2021, Introduced by Reps. Damoose, Meerman, O'Malley, Bezotte, Beeler, Fink, Outman, Maddock, Carra and Roth and referred to the Committee on Tax Policy.

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 during the 2020 tax year due to**
3 **an executive order issued by the governor or an emergency order**
4 **issued by the department of health and human services and that**
5 **eligible business reported a revenue loss of 25% or more during any**

1 quarter of 2020 may claim a credit against the tax imposed by this
2 part in an amount equal to the qualified taxpayer's tax liability
3 attributable to business income of that eligible business for the
4 tax year. For a qualified taxpayer who is a member of a flow-
5 through entity that owns and operates an eligible business that
6 qualifies for the credit under this section, that qualified
7 taxpayer may claim credit against the member's tax liability under
8 this part based on the member's distributive share of business
9 income reported from that flow-through entity or an alternative
10 method approved by the department.

11 (2) The department shall prescribe the form and manner in
12 which a qualified taxpayer shall claim a credit under this section.
13 The department may require reasonable proof from the taxpayer in
14 order to verify the forced closure and reported revenue loss
15 claimed to qualify for the credit under this section.

16 (3) As used in this section:

17 (a) "Eligible business" means any of the following businesses
18 whose primary operation is any of the following:

19 (i) An entertainment venue.

20 (ii) An exercise facility.

21 (iii) A food service establishment.

22 (iv) A lodging facility.

23 (v) A recreation facility or place of public amusement.

24 (b) "Entertainment venue" includes an auditorium, arena,
25 banquet hall, cinema, concert hall, conference center, performance
26 venue, sporting venue, stadium, or theater.

27 (c) "Exercise facility" means a facility in which individuals
28 participate in individual or group physical activity, including a
29 gymnasium, fitness center, or exercise studio.

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

3 (e) "Lodging facility" means a hotel, motel, or other
4 establishment engaged in the business of providing rooms for
5 dwelling, lodging, or sleeping purposes, except in hospitals,
6 confinement facilities, or nursing homes, to transient guests,
7 whether or not membership is required for the use of those
8 accommodations.

9 (f) "Qualified taxpayer" means a taxpayer that owns and
10 operates an eligible business that has fewer than 300 employees per
11 location or a taxpayer that is a member of a flow-through entity
12 that owns and operates an eligible business that has fewer than 300
13 employees per location.

14 (g) "Recreation facility or place of public amusement"
15 includes an amusement park, arcade, bingo hall, bowling alley,
16 casino, nightclub, skating rink, water park, or trampoline park.

17 Sec. 679. (1) For the 2020 and 2021 tax years, a qualified
18 taxpayer that was forced to close during the 2020 tax year due to
19 an executive order issued by the governor or an emergency order
20 issued by the department of health and human services and that
21 eligible business reported a revenue loss of 25% or more during any
22 quarter of 2020 may claim a credit against the tax imposed by this
23 part in an amount equal to the qualified taxpayer's tax liability
24 attributable to business income of that eligible business for the
25 tax year.

26 (2) The department shall prescribe the form and manner in
27 which a qualified taxpayer shall claim a credit under this section.
28 The department may require reasonable proof from the taxpayer in
29 order to verify the forced closure and reported revenue loss

1 claimed to qualify for the credit under this section.

2 (3) As used in this section:

3 (a) "Eligible business" means any of the following businesses
4 whose primary operation is any of the following:

5 (i) An entertainment venue.

6 (ii) An exercise facility.

7 (iii) A food service establishment.

8 (iv) A lodging facility.

9 (v) A recreation facility or place of public amusement.

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

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

18 (e) "Lodging facility" means a hotel, motel, or other
19 establishment engaged in the business of providing rooms for
20 dwelling, lodging, or sleeping purposes, except in hospitals,
21 confinement facilities, or nursing homes, to transient guests,
22 whether or not membership is required for the use of those
23 accommodations.

24 (f) "Qualified taxpayer" means a taxpayer that owns and
25 operates an eligible business that has fewer than 300 employees per
26 location.

27 (g) "Recreation facility or place of public amusement"
28 includes an amusement park, arcade, bingo hall, bowling alley,
29 casino, nightclub, skating rink, water park, or trampoline park.

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