

# HOUSE BILL No. 4964

September 13, 2011, Introduced by Rep. Nesbitt and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 605 (MCL 206.605), as added by 2011 PA 38.

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

1           Sec. 605. (1) "Corporation" means a ~~taxpayer~~ **PERSON** that is  
2 required or has elected to file as a C corporation as defined under  
3 section 1361(a)(2) and section 7701(a)(3) of the internal revenue  
4 code. Corporation does not include an insurance company or a  
5 financial institution.

6           (2) "Department" means the department of treasury.

7           (3) "Disregarded entity" means a qualified subchapter S  
8 subsidiary under section 1361(b)(3) of the internal revenue code or  
9 a single member limited liability company that has not elected to  
10 be classified as a corporation under 26 CFR 301.7701.

1           (4) "Employee" means an employee as defined in section 3401(c)  
2 of the internal revenue code. A person from whom an employer is  
3 required to withhold for federal income tax purposes is prima facie  
4 considered an employee.

5           (5) "Employer" means an employer as defined in section 3401(d)  
6 of the internal revenue code. A person required to withhold for  
7 federal income tax purposes is prima facie considered an employer.

8           Enacting section 1. This amendatory act takes effect January  
9 1, 2012.