

**SUBSTITUTE FOR  
SENATE BILL NO. 982**

A bill to amend 1883 PA 129, entitled  
"An act for the organization of telephone and messenger service  
companies,"

(MCL 484.1 to 484.10) by adding section 7.

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

1       **Sec. 7. (1) A telephone corporation formed under this act may**  
2       **convert into a domestic limited liability company if the telephone**  
3       **corporation satisfies the requirements applicable to the conversion**  
4       **of a business organization into a domestic limited liability**  
5       **company under section 709 of the Michigan limited liability company**  
6       **act, 1993 PA 23, MCL 450.4709. A telephone corporation that**  
7       **converts into a domestic limited liability company under this**  
8       **subsection is treated as a corporation for state income tax filing**

1 purposes as provided under section 339 of the income tax act of  
2 1967, 1967 PA 281, MCL 206.339, unless that converted entity is a  
3 disregarded entity for federal income tax filing purposes under the  
4 internal revenue code and its regarded owner is treated as a  
5 corporation for state and federal income tax purposes.

6 (2) As used in this section, "business organization" means  
7 that term as defined in section 705a of the Michigan limited  
8 liability company act, 1993 PA 23, MCL 450.4705a.

9 Enacting section 1. This amendatory act does not take effect  
10 unless all of the following bills of the 102nd Legislature are  
11 enacted into law:

- 12 (a) Senate Bill No. 983.
- 13 (b) Senate Bill No. 984.
- 14 (c) Senate Bill No. 1050.