

Policy Statement on Single Business Tax Percentage
on the Annual Report and Rescission of Policy C-52

Policy statement on the collection of additional admission fees with an annual report and requirement to file an Amended Application.

At the time a Certificate of Authority is issued to a foreign corporation 60,000 shares are considered initially attributable to Michigan. Section 1062(5) of the Business Corporation Act provides that the number of shares attributable is determined by multiplying the total authorized shares in the home jurisdiction by the most recent Single Business Tax apportionment percentage.

Section 1021(3) of the act requires an Amended Application to be filed within 30 days after the end of the foreign corporation's fiscal year if the number of authorized shares attributable to the state increases. Section 1062(4) of the act requires payment of an additional admission fee for each increase in shares attributable to the state.

In addition, Section 911(e) of the Business Corporation Act requires foreign corporations to include their most recent Single Business Tax apportionment percentage on their annual report.

If an increase in the Single Business Tax apportionment percentage increases the number of authorized shares attributable to Michigan the corporation may file a worksheet and pay any additional admission fee with the annual report in lieu of filing the Amended Application required by Section 1021(3) of the act. If the number of shares attributable increases, the worksheet and additional fees are not submitted with the annual report, and an Amended Application reporting the increase has not been submitted or the most recent single business tax apportionment percent was not included on the annual report, the Corporation Division will file the annual report, if otherwise fileable.

The Document Review Section will send a worksheet and letter notifying the corporation of the requirements in sections 911(e) and 1062(4). The worksheet will include the total number of authorized shares and number of shares attributable to Michigan on which fees have already been paid.

The above policy shall be adopted immediately and shall remain in effect unless rescinded or modified by the Bureau Director. Policy statement C-52 is hereby rescinded.

Approved by Julie Croll, Director
Corporation, Securities and Land Development Bureau
On September 16, 1999