
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 761 (as reported without amendment)
Sponsor: Senator Glenn D. Steil
Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Michigan Renaissance Zone Act to allow a business, under certain circumstances, to continue receiving the tax exemption, deduction, and credits provided under the Act after relocating outside of a renaissance zone. Currently, a business must be located and conducting business activity within a renaissance zone in order to receive the tax exemption, deduction, and credits (which are available to renaissance zone businesses and residents under the Single Business Tax Act, the Income Tax Act, the General Property Tax Act, and various other laws providing for the taxation of property).

The bill specifies that, notwithstanding any other provision of the Act, if a business that is located and conducts business activity within a renaissance zone were to relocate outside the zone, the business would receive the tax exemption, deduction, and credits for the property that was located in the zone and business activity that was performed in the zone, if all of the following were met:

- The business relocated to a parcel that was adjacent to and contiguous with the parcel in the renaissance zone on which the property was located, and both parcels were owned by the same person and had been owned by the same person on the date the renaissance zone was created.
- The property and business activity relocated outside the renaissance zone were located and conducted in the zone on the date it was designated under the Act.
- The reason for relocating the property and business activity outside the renaissance zone was to construct new facilities inside the zone.

Proposed MCL 125.2681a

Legislative Analyst: S. Lowe

FISCAL IMPACT

The bill would reduce State tax collections and local tax collections by the amount that the business fitting the description would be allowed to continue receiving the tax exemption, deduction, and credits available under the Renaissance Zone Act.

Date Completed: 10-29-97

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.