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SFA**BILL ANALYSIS**

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Senate Bill 761 (as introduced 10-16-97)

Sponsor: Senator Glenn D. Steil

Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 10-29-97

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 available 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.

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.

Under the Act, a business within a renaissance zone may receive an exemption, deduction, or credit as provided under the following laws: the Single Business Tax Act, the Income Tax Act, the City Income Tax Act, and the City Utility Users Tax Act. Property located in a renaissance zone is exempt from the collection of taxes under all of the following: the General Property Tax Act, the Plant Rehabilitation and Industrial Development Districts Act, the Commercial Redevelopment Act, the Enterprise Zone Act, Public Act 189 of 1953 (which provides for the taxation of lessees or users of tax-exempt property), the Technology Park Development Act, Section 51105 of the Natural Resources and Environmental Protection Act (which provides for an annual specific tax on commercial forests), and the Neighborhood Enterprise Zone Act.

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.

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.