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House Bill 5443 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Representative Clark Bisbee
House Committee: Economic Development
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Michigan Economic Growth Authority Act to allow the Michigan Economic Growth Authority (MEGA) to execute up to 50 new agreements for tax credits each year for eligible businesses that were qualified high-technology businesses, as well as 25 new agreements each year (as currently allowed) for other eligible businesses; establish criteria, including minimum job development, for qualified high-technology businesses; require MEGA to determine the eligibility of and issue certificates to certain qualified taxpayers for single business tax credits proposed under Senate Bill 269; require MEGA to approve the capture of school operating taxes and work plans as provided in House Bill 4400; require MEGA to approve the relocation of public buildings or operations for the economic development purposes under the Brownfield Redevelopment Financing Act; and require MEGA to submit an annual report. House Bill 5443 (S-2) also would allow MEGA to enter into a tax credit agreement with an eligible business that either 1) was located in the State on the date of application, made new capital investment of \$250 million in this State, and maintained 500 retained jobs; or 2) relocated production of a product to this State after the date of application, made capital investment of \$500 million in this State, and maintained 500 retained jobs.

“Qualified high-technology business” would mean a business with not less than 25% of the total operating expenses of the business used for research and development as determined under generally accepted accounting principles and verified by MEGA and whose business included “high-technology activity”, e.g., advanced computing, biotechnology, electronic device technology, medical device technology, and advanced vehicles technology.

The bill is tie-barred to Senate Bill 269, which would amend the Single Business Tax Act to allow an eligible taxpayer to claim a single business tax credit for certain projects; House Bill 4400, which would amend the Brownfield Redevelopment Financing Act to redefine “eligible property”; and House Bill 5444, which would create the “Obsolete Property Rehabilitation Act”.

MCL 207.803 et al.

Legislative Analyst: N. Nagata

FISCAL IMPACT

Please see **FISCAL IMPACT** on Senate Bill 269 (S-8).

Date Completed: 4-6-00

Fiscal Analyst: J. Wortley