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Senate Bill 982 (as reported without amendment)  
Sponsor: Senator Jason E. Allen  
Committee: Economic Development and Regulatory Reform

### **CONTENT**

The bill would amend the Michigan Business Tax (MBT) Act to permit a qualified taxpayer to assign all or a portion of certain brownfield tax credits allowed under the MBT Act or under the Single Business Tax (SBT) Act, rather than just under the SBT Act.

Section 437 of the MBT Act (which will take effect on January 1, 2008) and Section 38g of the SBT Act (which will expire on December 31, 2007) provide for certain business tax credits issued by the Michigan Economic Growth Authority for projects on brownfield property. The MBT Act specifies that, for projects approved under Section 38g of the SBT Act, a qualified taxpayer may assign all or a portion of a credit allowed under that section. Under the bill, credits could be assigned for projects approved under Section 38g of the SBT Act or Section 437 of the MBT Act.

The bill also would amend the definition of "eligible property" as used in Section 437.

The bill would take effect on January 1, 2008.

MCL 208.1437

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would reduce State General Fund revenue by an unknown amount. By expanding the definition of "eligible property", the bill potentially would allow more property to qualify for reduced property taxes. The amount of the reduction would depend upon the specific characteristics of the property affected by the bill, as well as the amount of any eligible investment. Brownfield credits under the Single Business Tax Act were estimated to total \$31.1 million in FY 2007-08. The credits under the Michigan Business Tax Act are computed in the same manner as under the SBT Act. If the bill increased the credits by 5%, it would reduce General Fund revenue by approximately \$1.6 million per year.

The bill would have no fiscal impact on local government.

Date Completed: 12-13-07

Fiscal Analyst: David Zin