

Legislative Analysis



MBT TECHNICAL CORRECTIONS

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House Bill 4264

Sponsor: Rep. Robert Jones

House Bill 4709

Sponsor: Rep. Tim Melton

Committee: Tax Policy

Senate Bills 89 and 91

Sponsor: Sen. Nancy Cassis

Senate Committee: Finance

House Committee: Tax Policy

Complete to 3-30-09

A SUMMARY OF HOUSE BILL 4264 AS INTRODUCED 2-17-09, HOUSE BILL 4709 AS INTRODUCED 3-26-09, AND SENATE BILLS 89 & 91 AS PASSED BY THE SENATE

The bills each would amend the newly enacted Michigan Business Tax Act (MCL 208.1101 et seq.) to provide technical, non-substantive, "clean-up" amendments.

House Bill 4264 would amend Section 435, which deals with credits for rehabilitating historic resources, to clarify that if such a credit is reduced because of the sale of the property within the first five years or the rehabilitation plan is not properly followed, the loss of the credit could reduce unused carryforwards of a credit rather than add to a firm's tax liability.

House Bill 4709 would amend Section 117 to clarify that the references in the section to *earlier tax years* (those prior to implementation of the MBT) are considered to be references to prior tax years under the Single Business Tax Act. The MBT Act replaced the SBT Act as of January 1, 2008.

Senate Bill 89 would amend the definition of "tax rate" in Section 429 (alternative energy tax credits) to correct a reference to a section in the Income Tax Act.

Senate Bill 91 would amend Section 503 to provide a formula for calculating the tax for the 2008 tax year (the first year of MBT implementation) for partial-year taxpayers.

FISCAL IMPACT:

The bills have been described as technical amendments. These bills would have no state or local fiscal impact.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.