

Legislative Analysis



TOOL AND DIE ZONES

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Senate Bill 1483

Sponsor: Sen. Jason E. Allen

House Committee: Judiciary

Senate Committee: Commerce and Tourism

Complete to 12-9-08

A SUMMARY OF SENATE BILL 1483 AS PASSED BY THE SENATE 12-4-08

The bill would amend the Michigan Renaissance Act to allow the board of the Michigan Strategic Fund to designate a maximum of 35 tool and die renaissance recovery zones in the state (rather than a maximum of 25, as is currently the case).

The bill also would allow a recovery zone to include a tool and die business that has 75 or more full-time employees so long as the business has entered into an agreement with the board of the Strategic Fund and with the city, village, or township where it is located. (Currently under the act, qualified tool and die businesses must have fewer than 75 employees.)

The bill also would specify that the current provisions that phase out a firm's exemption, deduction, or credit during the last three years would not apply in a tool and die renaissance recovery zone with a duration of 15 years or less.

Renaissance zones are typically described as granting virtually tax-free status to the businesses or residents in them. Businesses in renaissance zones are exempt from the Michigan business tax (MBT), the six-mill state education tax, local real and personal property taxes, specific taxes levied in lieu of property taxes, and (in Detroit) the utility users tax, as well as state and city income taxes.

FISCAL IMPACT:

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