

Legislative Analysis



MBT TECHNICAL CORRECTIONS

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5938 as introduced
Sponsor: Rep. Joel Sheltroun

House Bill 5940 as introduced
Sponsor: Rep. Kathy Angerer

House Bill 5939 (Substitute H-1)
Sponsor: Rep. Robert Jones

House Bill 5941 as introduced
Sponsor: Rep. Coleman Young

Committee: Tax Policy
Complete to 5-12-08

A SUMMARY OF HOUSE BILL 5938-5941 AS REPORTED FROM COMMITTEE

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 5938 would amend the definition of "tax rate" in Section 429 to correct a reference to a section in the Income Tax Act.

House Bill 5939 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 5940 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. (The Department of Treasury has indicated that amendments to the bill's language are necessary.)

House Bill 5941 would amend Section 117 to clarify that references to earlier tax years (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.

FISCAL IMPACT:

The bills have been described as technical amendments.

POSITIONS:

The Department of Treasury testified in support of the bills. (5-7-08)

Legislative Analyst: Chris Couch

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