

# Legislative Analysis

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## MBT CREDIT FOR CERTAIN REAL ESTATE ENTITIES

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**House Bill 4740**

**Sponsor: Rep. Tim Melton**

**Committee: Tax Policy**

**Complete to 11-3-09**

### A SUMMARY OF HOUSE BILL 4740 AS INTRODUCED 3-31-09

The bill would amend the Michigan Business Tax Act to create a credit equal to 100 percent of a firm's total tax liability attributable to a "qualified real estate entity." This would apply beginning with the 2009 tax year.

The credit would be available for a real estate entity that is owned by fewer than six individuals, that generates income exclusively from the management, operation, or sale of "qualified real estate," and that has less than \$10,000 in business income from working capital that is related to the management, operation, or sale of qualified real estate. "Qualified real estate" would be defined to mean real estate that is located outside of Michigan and that is acquired prior to the bill's effective date.

MCL 208.1436

### FISCAL IMPACT:

A fiscal analysis is in process.

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Fiscal Analyst: Rebecca Ross

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