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SBT TAX BASE: 10-YEAR PHASE-OUT OF HEALTH PLAN COSTS

House Bill 4087
Sponsor: Rep. Mark Schauer
Committee: Tax Policy

Complete to 3-5-99

A SUMMARY OF HOUSE BILL 4087 AS INTRODUCED 1-28-99

The bill would amend the Single Business Tax Act so that gradually payments a firm made under health and welfare and non-insured benefit plans and payments of fees for the administration of such plans would not be included in compensation and, thus, would not be included in the SBT tax base. The full elimination of the payments from the tax base would take 10 years. The percentage of payments excluded from the tax base would be as follows:

For tax years beginning on or after January 1, 1999 and before January 1, 2000, 10 percent; for tax years after January 1, 2000 and before January 1, 2001, 20 percent; and so on, until 100 percent of payments would be excluded for tax years that began after January 1, 2008.

MCL 208.4

House Bill 4087 (3-5-99)

Analyst: C. Couch

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