

Legislative Analysis



MOVIE PRODUCTION SBT CREDIT

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House Bill 6027

Sponsor: Rep. Virgil Smith

Committee: Tax Policy

Complete to 6-22-04

A SUMMARY OF HOUSE BILL 6027 AS INTRODUCED 6-17-04

The bill would amend the Single Business Tax Act to specify that the payroll-based credit provided to a motion picture production company under House Bill 5958 would equal 10 percent of payroll for state residents if total production costs are between \$250,000 and \$1 million, and would equal 25 percent of payroll for state residents if the total production costs are greater than \$1 million. [House Bill 5958, as introduced, also specifies the amount of the credit.]

The term "payroll" would refer to the total salaries and wages (before deducting any personal or dependency exemptions) for employees whose salary is less than \$1 million for the tax year.

The credit would be available for tax years that begin after December 31, 2004 and before January 1, 2007. The bill is tie-barred to House Bill 5958, which is nearly identical to this bill. That bill also includes a provision that permits the credit to be carried forward for five years or until the excess credit is exhausted, whichever occurs first.

MCL 208.37h

FISCAL IMPACT:

The fiscal impact is under review.

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