



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 1116 (as reported without amendment)  
Sponsor: Senator Gerald Van Woerkom  
Committee: Finance

### **CONTENT**

The bill would amend the Single Business Tax (SBT) Act to allow SBT payers to deduct from their tax base income received from either grants from the Michigan Technology Tri-Corridor Small Business Innovation Research (SBIR) Emerging Businesses Fund administered by the Michigan Economic Development Corporation; or SBIR grants and small business technology transfer programs established under the Federal Small Business Innovation Development Act of 1982 and reauthorized under the Small Business Research and Development Enhancement Act and the Small Business Reauthorization Act of 2000.

MCL 208.9

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

In FY 2001-02, small businesses in Michigan received approximately \$27 million in Small Business Innovation Research (SBIR) and Small Business Technology Transfer (SBTT) grants from the Federal Government. In addition, \$1 million in matching grants is planned to be issued through the Michigan Technology Tri-Corridor SBIR Emerging Business Fund. Given that this bill would allow businesses to deduct this grant revenue from their single business tax base, it is estimated the bill would reduce single business tax revenue by less than \$0.5 million. This loss in revenue would affect General Fund/General Purpose revenue. There would not be any direct impact on local governments.

Date Completed: 4-1-04

Fiscal Analyst: Jay Wortley