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BILL ANALYSIS

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Senate Bill 1540 (Substitute S-1 as reported)
Sponsor: Senator Nancy Cassis
Committee: Finance

CONTENT

The bill would amend the Michigan Business Tax Act to require the Department of Treasury to prepare a clear and concise listing of each credit allowed under the Act and a detailed explanation of that credit. The Department would have to make a copy of the listing available to the public upon request and post it on the Department's official website. Beginning March 1, 2009, the Department would have to update the listing to include, based on an annual report, the number of taxpayers broken down by firm and industry category that claimed each credit and the amount of credits awarded under each during the immediately preceding year. For credits claimed under Sections 429, 431, 431a, 431b, 431c, 433, 437, 455, 457, and 459, the Department also would have to include the name and address of each taxpayer and the amount of the credit awarded to that taxpayer under each of those respective credits during the immediately preceding year.

By March 1 of each year after 2008, the Department would have to submit to the Governor and both houses of the Legislature an annual report concerning the operation and effectiveness of each credit under the Act, and would have to post the report on the website. The report would have to include a brief assessment of the overall effectiveness of each credit during the immediately preceding calendar year and the information described above.

(Sections 429, 431, 431a, 431b, 431c, 433, 437, 455, 457, and 459 provide tax credits for alternative energy technology businesses and qualified alternative energy entities, businesses authorized by the Michigan Economic Growth Authority, anchor companies, businesses located and conducting business in renaissance zones, businesses engaged in brownfield redevelopment, film production companies, and businesses with investments in qualified film and digital media infrastructure projects.)

MCL 208.1513

Legislative Analyst: Craig Laurie

FISCAL IMPACT

There could be additional staff time costs associated with the requirements of the bill. Current appropriations should be sufficient to support the listing and reporting of tax credits allowed under the Act; however, additional appropriations could become necessary if the reporting requirements became too cumbersome for the Department's current staffing level.

The bill would have no fiscal impact on local government.

Date Completed: 10-8-08

Fiscal Analyst: Joe Carrasco

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Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.