

Legislative Analysis



MBT: EXCLUDE CERTAIN PRESCRIBED DRUGS

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House Bill 5548

Sponsor: Rep. Kathy Angerer

Committee: Tax Policy

Complete to 12-1-09

A SUMMARY OF HOUSE BILL 5548 AS INTRODUCED 10-27-09

Under one element of the recently enacted Michigan Business Tax, firms are subject to a tax of 0.8 percent on a firm's modified gross receipts. (The other main component of the tax is a tax on business income.) House Bill 5548 would provide an exclusion from gross receipts for receipts derived from the administration of antineoplastic drugs and other cancer chemotherapy, biological monitoring, therapeutic agents, and other supportive drugs by a prescriber to an individual diagnosed with cancer or a blood order.

Excluding these receipts from the MBT tax base would reduce a firm's tax liability. The bill applies to the 2010 tax year and thereafter. The term "prescriber" in the bill is taken from the Public Health Code, where it means a licensed dentist, a licensed doctor of medicine, a licensed doctor of osteopathic medicine and surgery, a licensed doctor of podiatric medicine and surgery, a licensed optometrist certified under Part 174 to administer and prescribe therapeutic pharmaceutical agents, a licensed veterinarian, or another licensed health professional acting under the delegation and using, recording, or otherwise indicating the name of the delegating licensed doctor of medicine or licensed doctor of osteopathic medicine and surgery.

MCL 208.1111

FISCAL IMPACT:

The bill would reduce MBT, and General Fund revenue, by an indeterminate amount.

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