



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 368 (Substitute S-1 as reported)  
Sponsor: Senator Jack Brandenburg  
Committee: Finance

### **CONTENT**

The bill would amend the revenue Act to prohibit the Department of Treasury from assessing a tax or reducing an overpayment, and require the Department to approve a claim for a refund of tax paid, under the former Single Business Tax (SBT) Act for an individual, estate, or other person organized for estate or gift planning purposes, for amounts received, income, or gain other than those from transactions, activities, and sources in the regular course of the person's trade or business.

The bill also would prohibit the Department from assessing a tax or reducing an overpayment, and require the Department to approve a claim for a refund of tax paid, under the SBT Act for receipts, income, or gain derived from investment activity other than receipts, income, or gain from transactions, activities, and sources in the regular course of the person's trade or business by a person that was organized exclusively to conduct investment activity and did not conduct investment activity for anyone other than an individual or a person related to that individual or by a common trust fund established under the Collective Investment Funds Act.

These requirements would be subject to the statute of limitations.

The bill would have to be retroactively applied.

MCL 205.27a

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would reduce General Fund revenue by an unknown, and likely minimal, amount (approximately \$2 million or more). The bill would prevent the Department of Treasury from assessing additional taxes or reducing overpayments on income affected by the bill, and also would authorize the payment of certain refunds that would not be paid under current law.

The bill would not affect local unit revenue or expenditure.

Date Completed: 10-28-11

Fiscal Analyst: David Zin