



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 928 through 942 (as introduced 11-29-07)

Sponsor: Senator Dennis Olshove (S.B. 928)
Senator Jim Barcia (S.B. 929)
Senator Judson Gilbert, II (S.B. 930)
Senator Michelle A. McManus (S.B. 931)
Senator Patricia L. Birkholz (S.B. 932)
Senator Tony Stamas (S.B. 933)
Senator Tupac A. Hunter (S.B. 934)
Senator John Pappageorge (S.B. 935)
Senator Alan Sanborn (S.B. 936)
Senator Tom George (S.B. 937)
Senator Mark C. Jansen (S.B. 938)
Senator Randy Richardville (S.B. 939)
Senator Cameron S. Brown (S.B. 940)
Senator Roger Kahn, M.D. (S.B. 941)
Senator Nancy Cassis (S.B. 942)

Committee: Finance

Date Completed: 12-5-07

CONTENT

Senate Bill 928 would amend Public Act 72 of 1979, which requires the Governor to report certain tax information with the annual budget message to the Legislature, to specify that for fiscal years beginning on and after January 1, 2008, the Governor would have to provide information compiled pursuant to the Michigan Business Tax (MBT) Act (which will take effect on January 1, 2008).

Senate Bills 929 through 942 would amend various statutes to do the following:

- Include references to the MBT Act in provisions that refer to the Single Business Tax (SBT) Act (which will be repealed on December 31, 2007).**
- Replace references to the SBT Act with references to the MBT Act.**
- Replace references to a section the SBT Act with references to the State Revenue Sharing Act.**
- Replace references to a "successor tax to the single business tax act" with references to the MBT Act.**

The bills are described below.

Senate Bill 928

Under Public Act 72 of 1979, the Governor must report to the Legislature certain information compiled pursuant to the SBT Act, including the amount of capital investment write off for real and personal property separately by size of final liability, the amount of business loss by size of final liability of taxpayer, and the number of taxpayers filing certain exemptions under the SBT Act and the amount of tax forgone.

Under the bill, the Governor would have to report this information for fiscal years ending before January 1, 2008. For fiscal years beginning on and after January 1, 2008, the Governor would have to report the following compiled pursuant to the MBT Act:

- Amount of capital investment write-off for real and personal property separately by size of final liability of taxpayer.
- Amount of business loss by size of final liability of taxpayer.
- Amount of carryforward loss of final liability of taxpayer.
- Number of taxpayers claiming an exemption under Section 207 of the MBT Act and the amount of tax forgone.
- Number of claimants by size of final liability and amount of tax forgone under Sections 413, 417, 421, 422, and 425 of the MBT Act.
- Other deductions or credits as provided by law.

Senate Bill 929

The bill would amend the Fourth Class City Act to refer to a section of the State Revenue Sharing Act instead of a section the SBT Act.

Senate Bill 930

The bill would amend the definition of "gross receipts" in Public Act 180 of 1991, which pertains to the development of stadia and convention facilities. Currently, "gross receipts" means that term as defined in the SBT Act. Under the bill, "gross receipts" would mean that term as defined in either the SBT Act or the MBT Act.

Senate Bill 931

The bill would amend the Michigan Early Stage Venture Investment Act to replace references to "a successor tax to the single business tax act" with a reference to the MBT Act, replace references to the SBT Act with references to the MBT Act, and include references to the MBT Act with certain references to the SBT Act.

Senate Bill 932

The bill would amend the Natural Resources and Environmental Protection Act to replace several references to the SBT Act with references to the MBT Act.

The bill also specifies that the Department of Treasury would be the administrator of the Freshwater Protection Fund for auditing purposes.

Senate Bill 933

The bill would amend Public Act 198 of 1974, the plant rehabilitation and industrial development Act, to define "qualified start-up business" as that term as defined in the MBT Act or the SBT Act. The current definition refers only to the SBT Act.

Senate Bill 934

The bill would amend the City Utility Users Tax Act to include references to the MBT Act in provisions that refer to the SBT Act.

Senate Bill 935

The bill would amend Public Act 105 of 1855, which pertains to surplus funds in the State Treasury, to refer to a definition in the MBT Act instead of in the SBT Act.

Senate Bill 936

The bill would amend the Brownfield Redevelopment Financing Act to include references to the MBT Act in provisions that refer to the SBT Act.

Senate Bill 937

Under the Neighborhood Assistance and Participation Act, "business firm" means a sole proprietorship, partnership, or corporation authorized to do business in this State and subject to tax under either the SBT Act or a section of the Insurance Code. The bill would replace the reference to the Insurance Code with a reference to the MBT Act.

Senate Bill 938

The bill would amend the Emergency Municipal Loan Act to delete provisions pertaining to the calculation of "local tax base growth rate" and "statewide tax base growth rate" for the years 1974 and 1975 based on statewide equalized valuation for inventory reported under the SBT Act.

Senate Bill 939

The bill would amend Mortgage Brokers, Lenders, and Servicers Licensing Act to replace a reference to the SBT Act with a reference to the MBT Act.

Senate Bill 940

The bill would amend the Public Service Commission law to delete a reference to the SBT Act.

Senate Bill 941

The bill would amend the Hospital Finance Authority Act to replace a reference to a section of the SBT Act with a reference to the State Revenue Sharing Act.

Senate Bill 942

The bill would amend the Business Corporation Act to include references to the MBT Act in provisions that refer to the SBT Act.

MCL 21.273 (S.B. 928)
110.20 (S.B. 929)
207.751 (S.B. 930)
125.2247 et al. (S.B. 931)
324.8716 et al. (S.B. 932)
207.561 (S.B. 933)
141.1155 (S.B. 934)
21.142a (S.B. 935)
125.2652 (S.B. 936)
125.803 (S.B. 937)
141.931 (S.B. 938)
445.1652 (S.B. 939)
460.10o (S.B. 940)
331.4 (S.B. 941)
450.1911 & 450.2062 (S.B. 942)

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bills would update the statutes described above with appropriate references to the new Michigan business tax and, in some cases, also would update various Michigan Compiled Law references. These proposed changes are "technical" in nature and therefore the bills would have no fiscal impact on State or local government.

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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.