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## **TAX REDUCTION: SBT**

**House Bill 4228**

**Sponsor: Rep. James Ryan**

**House Bill 4229**

**Sponsor: Rep. David Galloway**

**House Bill 4230**

**Sponsor: Rep. Susan Grimes Munsell**

**Committee: Tax Policy**

**Complete to 2-1-95**

### **A SUMMARY OF HOUSE BILLS 4228-4230 AS INTRODUCED 1-30-95**

The bills would amend the Single Business Tax Act (MCL 208.4 et al.) to remove from the tax base, for tax years beginning after December 31, 1994, payments for unemployment compensation, workers compensation, and federal insurance contributions (FICA).

House Bill 4228 would apply to payments to state and federal unemployment compensation funds.

House Bill 4229 would apply to payments, including self-insurance payments, for worker's compensation insurance.

House Bill 4230 would apply to payments under the federal Insurance Contribution Act and similar social insurance programs.

In each case, the bill would specify that a certain kind of payment would not be included in compensation. The SBT tax base, before reductions, is typically described as a company's compensation paid (or labor costs), profits, interest paid, and depreciation.

The bills are tie-barred to four other bills that are part of a proposed tax reduction package: House Bills 4231-4234 (or their Senate equivalents).

House Bills 4228-4230 (2-1-95)