



**House
Legislative
Analysis
Section**

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INTANGIBLES TAX PHASE-OUT

House Bill 4233

Sponsor: Rep. Charles Perricone

Committee: Tax Policy

Complete to 2-1-95

A SUMMARY OF HOUSE BILL 4233 AS INTRODUCED 1-30-95

The bill would phase out the state's intangibles tax, which is a tax, generally speaking, on the income (e.g., dividends and interest) derived from intangible property (e.g., stocks, bonds, notes, and money). The bill would amend the intangibles tax act in the following ways.

- The act allows taxpayers a credit of \$175 for single taxpayers and \$350 for married couples filing jointly. The bill would increase the credit to \$280 for single taxpayers and \$560 for joint filers beginning in calendar year 1994 or a fiscal year ending after 1993. (The amounts are described in the act as deductions that can be made in computing the tax.)

- A person's tax liability under the act would be reduced by 25 percent for calendar year 1994 (or a fiscal year ending in 1994) and 1995; by 50 percent for 1996; and by 75 percent after 1996.

- The act would be repealed effective January 1, 1998.

The bill is tie-barred to six other bills that are part of a proposed tax reduction package: House Bills 4228, 4229, 4230, 4231, 4232, and 4234 (or their Senate equivalents).

House Bill 4233 (2-1-95)