



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

SBT: COMPENSATION LIMIT

House Bill 4358

Sponsor: Rep. Kirk A. Profit

Committee: Tax Policy

Complete to 9-12-95

A SUMMARY OF HOUSE BILL 4358 AS INTRODUCED 2-8-95

A small business credit is available under the Single Business Tax Act for a company that has gross receipts of \$10 million or less and adjusted business income of \$475,000 or less, if, generally speaking, no owner's, shareholder's, or officer's compensation exceeds \$95,000. House Bill 4358 would raise the compensation limit as of January 1, 1995 to \$175,000. However, the credit would be reduced by 20 percent if the compensation was more than \$95,000 but less than \$115,000; by 40 percent if compensation was \$115,000 or more but less than \$135,000; by 60 percent if compensation was \$135,000 or more but less than \$155,000; and by 80 percent if compensation was \$155,000 or more but less than \$175,000.

MCL 208.36

House Bill 4358 (9-12-95)