



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

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**BILL ANALYSIS**



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House Bill 4230 (Substitute S-2 as reported)  
Sponsor: Representative Susan Grimes Munsell  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

**The bill would amend the Single Business Tax (SBT) Act to remove from the tax base of SBT payers employers' payments under the Federal Insurance Contribution Act (FICA), the Railroad Retirement Tax Act, and similar social insurance programs, for tax years 1995 and thereafter.**

The bill is tie-barred to House Bill 4233, which (as Substitute S-1) would reduce the intangibles tax beginning with the 1994 tax year; and to Senate Bill 233, which would repeal the intangibles tax effective January 1, 1998.

MCL 208.4 et al.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

**This bill would reduce SBT revenue by an estimated \$52 million in FY 1994-95 and \$74 million in FY 1995-96. This bill, along with the House substitute for Senate Bill 235, which would eliminate unemployment insurance payments and workers' compensation payments from the SBT base, would reduce SBT revenue by a total of \$74 million in FY 1994-95 and \$105 million in FY 1995-96. In FY 1994-95, all of the revenue loss would occur in the General Fund/General Purpose budget. In FY 1995-96, local revenue sharing would be reduced by \$10 million and General Fund/General Purpose revenue would be reduced by \$95 million.**

Date Completed: 2-16-95

Fiscal Analyst: J. Wortley