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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4135	AS INTRODUCED	Sponsor	Rep. Nancy C. Cassis
		Committee	TAX POLICY
HB4136	AS INTRODUCED	Sponsor	Rep. Jim Howell
		Committee	TAX POLICY
HB4137	AS INTRODUCED	Sponsor	Rep. Jason Allen
		Committee	TAX POLICY
HB4138	AS INTRODUCED	Sponsor	Rep. Bruce Patterson
		Committee	TAX POLICY
HB4139	AS INTRODUCED	Sponsor	Rep. Clark Bisbee
		Committee	TAX POLICY

Analyst(s) Stansell, Jim

State Fiscal Impact

Cost	None
Revenues	Decrease

Local Fiscal Impact

Cost	None
Revenues	None

House Bills 4135 through 4139 would accelerate the current phase out of the Single Business Tax (SBT) by decreasing the SBT tax rate by 0.2% per year instead of 0.1% per year, beginning on January 1, 2002. Thus, the SBT would be fully phased out by January 1, 2011 when the rate falls to 0%. Under current law, the SBT will be fully phased out on January 1, 2021.

Over the entire span of the current SBT phase out, the revenue loss is estimated to be \$54.2 billion. Accelerating the phase out would reduce SBT revenues by an estimated \$72.7 billion. Thus, relative to current law, accelerating the phase out of the SBT would result in an increased revenue loss of \$18.5 billion.