



**House
Legislative
Analysis
Section**

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**SBT TAX BASE: LIMIT
SUBTRACTION**

House Bill 4572

Sponsor: Rep. Jack Minore

Committee: Tax Policy

Complete to 4-23-03

A SUMMARY OF HOUSE BILL 4572 AS INTRODUCED 4-10-03

Section 9 of the Single Business Tax Act lists a number of additions and subtractions to be made in calculating the tax base on which the tax is levied. Among those, the act allows a firm to add the loss or subtract the gain attributable to another entity whose business activities are taxable under the act or would be taxable . . . if the business activities were in this state. House Bill 4572 would delete the underlined portion of that provision. The bill would take effect for tax years beginning on or after January 1, 2004.

[The Department of Treasury has characterized this change as allowing single business tax taxpayers to deduct gains received from an affiliate, and requiring an addition for losses, only if the affiliate is subject to the single business tax.]

MCL 208.9

House Bill 4572 (4-23-03)

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.