

Legislative Analysis



RURAL MEGA CREDITS

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House Bill 5640

Sponsor: Rep. Tom Casperson

Committee: Commerce

Complete to 3-6-06

A SUMMARY OF HOUSE BILL 5640 AS INTRODUCED 2-7-06

The bill would amend the Michigan Economic Growth Authority Act, under which qualifying businesses can receive single business tax credits. The bill would amend the act in the following ways to affect eligibility standards for firms.

**** It would add to the businesses qualifying for tax credits under the act *a business that maintains 175 retained jobs and makes new capital investment in a county with a population of between 7,500 and 8,000.*** (This appears to apply only to Ontonagon County.)

**** It would change the definition of "rural business" in the act to apply to *a business located in a county with a population of 90,000 or less*, rather than the current 80,000 or less.** (This would appear to add Lapeer and Midland counties to the eligible counties.) The act sets out criteria that a rural business must meet in order to be eligible for SBT credits.

MCL 207.803 and 808

FISCAL IMPACT:

Enactment will result in a reduction of Michigan Single Business Tax revenue of an indeterminate amount. The actual amount of any MEGA tax credit is negotiated by the Michigan Economic Development Corporation, and no estimate is available at this time.

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■ 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.