

Legislative Analysis



DEADLINE FOR ASSIGNING BROWNFIELD CREDIT

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6070

Sponsor: Rep. Bill Huizenga

Committee: Commerce

Complete to 5-22-06

A SUMMARY OF HOUSE BILL 6070 AS INTRODUCED 5-17-06

The Single Business Tax Act allows a taxpayer to assign all or a portion of an SBT Brownfield tax credit to another firm. The act requires the assignment be made in the tax year in which a certificate of completion is issued. The certificate of completion is issued to a firm by the Michigan Economic Growth Authority when a brownfield project to rehabilitate or improve a contaminated or blighted site is completed. House Bill 6070 says that this assignment deadline would apply "unless the assignee is an unknown lessee." Under the bill, if a taxpayer wishes to assign all or a portion of its credit to a lessee but the lessee is unknown in the tax year in which the certificate of completion is issued, the qualified taxpayer can delay claiming and assigning the credit until the first tax year in which the lessee is known.

MCL 208.35e

FISCAL IMPACT:

This bill would alter the timing of the use of the SBT credits, but would not change the total amount of the credits. All SBT revenue accrues to the General Fund/General Purpose (GF/GP). This bill would have no direct local fiscal impact.

Legislative Analyst: Chris Couch
Fiscal Analyst: Rebecca Ross

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