

# Legislative Analysis

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## ASSIGNING BROWNFIELD CREDITS

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**House Bill 6070 as introduced**  
**Sponsor: Rep. Bill Huizenga**  
**Committee: Commerce**

**Complete to 6-5-06**

## A SUMMARY OF HOUSE BILL 6070 AS PASSED BY THE HOUSE

Section 35e of the Single Business Tax Act allows a taxpayer to assign all or a portion of an SBT Brownfield tax credit to another firm. It applies to projects for which a certificate of completion is issued on or after January 1, 2006. (A 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.) The section was added by Public Act 113 of 2006 (Senate Bill 599).

Senate Bill 599 was not given immediate effect when it was enacted and so Public Act 113 will not take effect until April 1, 2007, even though the act was intended to apply as of January 1, 2006. House Bill 6070 would repeal the existing Section 35e (MCL 208.35e) and replace it with a new Section 35e. The new section would be retroactive and carry an effective date of January 1, 2006.

(The language of the new section is identical to the current Section 35e, except that the new section would extend the deadline for making assignments in instances when the assignee is an unknown lessee. The act currently requires the assignment be made in the tax year in which a certificate of completion is issued. 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.)

## 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.

## POSITIONS:

Indicating support for the bill to the House Committee on Commerce were the Michigan Economic Development Corporation; the Michigan Manufacturers Association; and the Michigan Bankers Association. (5-30-06)

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