

Legislative Analysis



MBT: MOVIE THEATERS

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Senate Bill 1192

Sponsor: Sen. Jim Barcia

House Committee: Tax Policy

Senate Committee: Finance (Discharged)

Complete to 4-8-08

A SUMMARY OF SENATE BILL 1192 AS PASSED BY THE SENATE 3-27-08

The bill would amend the newly enacted Michigan Business Tax Act to exclude from the tax base, beginning with the 2008 tax year, all film rental or royalty payments paid by a theater owner to a film distributor and/or a film producer. The bill does this by including these payments in the definition of "purchases from other firms." These purchases are excluded from gross receipts when determining the MBT tax base.

Currently, the MBT Act excludes from the tax base 50 percent of these payments for tax year 2009 and all of the payments for tax years 2010 and beyond. The bill would move up the full exclusion by two years.

[Senate Bill 1192 is the same as House Bill 5863, which was previously reported by the House Committee on Tax Policy and is on the House floor.]

MCL 208.1113

FISCAL IMPACT:

The bill would reduce FY2007-08 and FY2008-09 MBT revenue by an unknown amount. All MBT revenue accrues to the General Fund.

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