

Legislative Analysis



MBT STADIUM CREDIT

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House Bill 5463

Sponsor: Rep. Tim Melton

Committee: Tax Policy

Complete to 2-11-08

A SUMMARY OF HOUSE BILL 5463 AS INTRODUCED 11-26-07

Section 410 of the new Michigan Business Tax provides for a credit for the 2008-2012 tax years for the construction of a stadium for professional sports or other entertainment with a capacity of at least 14,000 patrons and a cost of at least \$250 million, and where no state appropriation, public bond issue, state or local tax or fee was used to finance the construction or retire debt, except for road or infrastructure improvements. The credit would be 65% of the firm's tax liability up to \$1.7 million in 2008-2010, 45% of the firm's tax liability up to \$1.18 million in 2011, and 25% of the firm's tax liability in 2012 up to \$650,000.

House Bill 5463 would rewrite the stadium credit provision (MCL 208.1410) so that a taxpayer would be eligible for the credit if the taxpayer satisfied either (instead of both) of the following provisions:

(1) Is the owner, operator, manager, licensee, lessee, or tenant of a stadium used primarily for professional sporting events or other entertainment with a capacity of at least 14,000 patrons with a construction cost of at least \$250 million.

(2) Is the owner, operator, manager, licensee, lessee, or tenant of a stadium used primarily for professional sporting events or other entertainment with a capacity of at least 14,000 patrons that has not received proceeds from a state appropriation, a public bond issue, or a state or local tax or fee to finance the construction or retire debt, except for road or infrastructure improvements.

The bill contains an effective date of January 1, 2008 (which is the effective date of the new MBT).

FISCAL IMPACT:

Reportedly, the bill will implement the original intent of the credit provision, and so would have no unintended revenue impact.

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