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BILL ANALYSIS

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House Bill 5939 (Substitute H-1 as reported without amendment)

Sponsor: Representative Robert Jones

House Committee: Tax Policy

Senate Committee: Finance

### **CONTENT**

The bill would amend the Michigan Business Tax Act to allow a qualified taxpayer that had an unused carryforward of a credit for rehabilitating a historic resource to use the amount otherwise added to the taxpayer's tax liability because of revocation of certification of completed rehabilitation or sale of the historic resource, to reduce the taxpayer's carryforward.

("Qualified taxpayer" means a person that is an assignee of a credit or either owns the resource to be rehabilitated or has a long-term lease agreement with the owner of the historic resource and that has qualified expenditures for the rehabilitation of the historic resource equal to or greater than 10% of the State equalized valuation of the property.)

MCL 208.1435

Legislative Analyst: Craig Laurie

### **FISCAL IMPACT**

The change proposed in this bill is a technical clarification of the tax ramifications when rehabilitated property for which a historic rehabilitation credit was claimed is sold within five years after the credit was claimed, and therefore the bill would have no fiscal impact on State or local government.

Date Completed: 12-9-08

Fiscal Analyst: Jay Wortley