

# Legislative Analysis

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## **MBT FINANCIAL INSTITUTIONS TAX: INCLUDE FARM CREDIT INSTITUTIONS**

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**House Bill 5295**

**Sponsor: Rep. Kate Ebli**

**Committee: Tax Policy**

**Complete to 9-8-09**

### **A SUMMARY OF HOUSE BILL 5295 AS INTRODUCED 9-2-09**

The bill would amend the Michigan Business Tax Act to expand the definition of "financial institutions" to include federally chartered farm credit institutions. The current definition includes banks, thrifts, and savings and loans. Under Chapter 2B of the act, financial institutions are subject to a separate business tax of 0.235% of net capital. Farm credit institutions are subject to regulation by the federal Farm Credit Administration, [<http://www.fca.gov>].

The bill would be retroactive to apply to taxes levied on or after January 1, 2008, which was the effective date of the new MBT Act, enacted as Public Act 36 of 2007.

MCL 208.1261

### **FISCAL IMPACT:**

This bill would have a minimal affect on state revenue and no direct fiscal impact on local units of government.

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