



Senate Fiscal Agency
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Senate Bill 72 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Nancy Cassis

Committee: Finance

CONTENT

The bill would amend the Michigan Business Tax (MBT) Act to require the Department of Treasury, beginning July 1, 2010 and each subsequent July 1, to submit to the Governor and the chairpersons of the Senate and House of Representatives standing committees with jurisdiction over taxation and finance matters, an annual report concerning the operation and effectiveness of the credits under Sections 429, 433, 437, 457, and 459, and to post the report on the Department's official website. The report would have to include the following regarding the credits under those sections during the prior calendar year:

- A brief assessment of the overall effectiveness of the credits in attracting more business to this State and creating more jobs in the State.
- The number of taxpayers that applied for each credit, broken down by business sector and firm size in a manner that did not identify individual taxpayers.
- The amount of money spent by each taxpayer to comply with its agreements and a breakdown of that spending by those taxpayers classified as goods, services, or salaries and wages.
- An estimate of the number of people employed in this State by the taxpayers that qualified for the credits.
- The value of all tax credit certificates of completion issued.

(Sections 429, 433, 437, 457, and 459 provide tax credits for alternative energy technology businesses and qualified alternative energy entities, anchor companies, businesses in renaissance zones, businesses engaged in brownfield redevelopment, and businesses with investments in qualified film and digital media infrastructure projects.)

The Department also would have to prepare a clear and concise listing of each credit allowed under the Act and a detailed explanation of that credit, make a copy of the listing available to the public upon request, and post it on the Department's official website. Within 10 business days after the Department, the Michigan Film Office, and the Michigan Economic Growth Authority submitted annual reports to the Governor and the Legislature, the Department would have to post or provide a link to those reports on the its website.

MCL 208.1513

Legislative Analyst: Craig Laurie

FISCAL IMPACT

There could be additional staff time costs associated with the requirements of the bill. Current appropriations should be sufficient to support the listing and reporting of tax credits allowed under the Act; however, additional appropriations could become necessary if the reporting requirements became too cumbersome for the Department's current staffing level.

The bill would have no fiscal impact on local government.

Date Completed: 2-12-09

Fiscal Analyst: Stephanie Yu