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House Bill 4712 (Substitute H-2 as reported without amendment)  
Sponsor: Representative Ryan Berman  
House Committee: Tax Policy  
Senate Committee: Economic and Small Business Development

### **CONTENT**

The bill would amend the Michigan Business Tax Act to do the following:

- Specify that, for credits approved by Resolutions 2011-154 and 2011-155 adopted by the Michigan Economic Growth Authority (MEGA) and subsequently amended by Resolutions 2019-046 and 2019-047 adopted by MEGA, the taxpayer could allocate eligible investments made for one development area to the other development area to maximize the combined credits for both the development areas as long as the sum of the credits for both did not exceed the sum of the credits approved under Resolutions 2019-046 and 2019-047.
- Allow the taxpayer, after making an eligible investment, to petition MEGA to further amend the project and preapproval letter for an increase in the maximum total eligible investment and the maximum total of all credits and to extend the duration of time for up to five additional years to complete the project.

MCL 208.1437

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

Depending on whether the taxpayer would be able to claim the full credit currently authorized absent the bill, the bill either would have no fiscal impact or would shift a currently forecasted revenue loss into a future fiscal year. The affected credit is estimated to total \$12.8 million, so if the taxpayer did not claim the credit under existing law, Michigan Business Tax revenue would be \$12.8 million higher than forecast in the year the credit was not claimed. However, under the bill, if the taxpayer were able to claim the credit, Michigan Business Tax revenue would be reduced by \$12.8 million reduction in a later fiscal year.

Date Completed: 9-30-21

Fiscal Analyst: David Zin