



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1094 (as introduced 3-11-04)

Sponsor: Senator Bill Hardiman

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 3-17-04

CONTENT

The bill would amend the Single Business Tax (SBT) Act to delete the requirement that each member of an affiliated group of United States corporations filing a consolidated or combined SBT return maintain a relationship with one or more members of the group which includes intercorporate transactions of a substantial nature other than control, ownership, or financing arrangements, or any combination thereof. The bill also would delete language stating that the Commissioner (the Department of Treasury) may require or permit the filing of a consolidated or combined return; instead, the bill would allow the affiliated group to file such a return.

The bill would take effect for tax years beginning after December 31, 2004.

MCL 208.77

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The information and data needed to generate a reasonable estimate of the fiscal impact of this bill are not available at this time. This bill would make it easier for businesses to file consolidated returns, and given that businesses would choose to file a consolidated return only if it resulted in a lower overall tax liability, this bill would have a negative impact on single business tax revenue; however, no reasonable estimate of the size of the revenue loss is possible at this time.

Fiscal Analyst: Jay Wortley

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