

Legislative Analysis



MBT BROWNFIELD CREDIT

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House Bill 6093

Sponsor: Rep. Judy Nemat

Committee: New Economy and Quality of Life

Complete to 9-20-10

A SUMMARY OF HOUSE BILL 6093 AS INTRODUCED 4-29-10

The bill would amend the Michigan Business Tax (MCL 208.1437) to require the issuance of a brownfield tax credit to a firm whose circumstances meet special criteria.

Generally speaking, brownfield credits are available under the MBT for eligible investments in projects that redevelop contaminated, blighted, or functionally obsolete property.

Specifically, House Bill 6093 would consider a specified project to have been approved before April 8, 2008, and would allow a taxpayer to claim a credit for that project, if the project meets the following criteria (notwithstanding any other provision in the MBT Act):

** The project was on property located in a city with a population between 9,000 and 10,000 and located in a county with a population under 30,000. (This appears to apply to the city of Menominee in Menominee County.)

** The property was included in a brownfield plan in December 2005 that was subsequently approved by the city's governing body in February 2006.

To claim the credit, the taxpayer would have to submit an affidavit to the chair of the Michigan Economic Growth Authority (or a designee) with 14 days after the effective date of the bill. If the taxpayer does so, the firm would receive the certificate of completion needed for the credit.

The affidavit would have to state all of the following: the level and extent of rehabilitation necessary for the blighted area or the level and extent of contamination alleviated; the cost of the firm's eligible investment; and any other criteria imposed by MEGA. Within 45 days after receiving the affidavit, MEGA would have to verify the project is complete and issue a certificate of completion.

FISCAL IMPACT:

As written, the bill would reduce MBT revenue by an unknown amount. Any reductions in MBT revenue would subsequently reduce GF/GP revenue.

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