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Senate Bill 539 (as reported without amendment)
Sponsor: Senator Randy Richardville
Committee: Commerce and Tourism

CONTENT

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

- Require the Michigan Film Office and the State Treasurer, beginning July 1, 2009, when determining whether to enter into an agreement for an MBT credit for a qualified film and digital media infrastructure project, to give preference to a taxpayer that agreed to hire, or contract with businesses that agreed to hire, only Michigan residents or individuals who planned to become Michigan residents, except as discussed below.
- Require an agreement for a qualified film and digital media infrastructure project MBT credit to include a requirement that the taxpayer would not hire, or contract with businesses that hired, individuals who were not authorized under Federal law to work in the United States.

The hiring preference requirement would apply unless the Film Office and Treasurer determined that the project could not be completed by using only Michigan residents, or those who planned to become Michigan residents, for one or more of the following:

- To the extent necessary to comply with Federal law or regulation concerning the use of Federal funds.
- To the extent that key management personnel or individuals with special skills, who were not Michigan residents, were needed.
- For projects located in a county that borders on another state, if the Office and Treasurer determined that the use of nonresidents for the construction, rehabilitation, development, or renovation would not have a significant adverse effect on the employment of Michigan residents.

MCL 208.1457

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would increase the administrative costs of the Michigan Film Office within the Michigan Strategic Fund by an unknown amount due to the additional eligibility determinations and reports that would be required by the bill. The amount of additional costs would depend on the number of applications for film and digital media infrastructure projects. The year-to-date appropriation for the Michigan Film Office is \$731,600 in FY 2008-09, consisting of \$181,600 GF/GP and \$550,000 in restricted revenue from credit application and redemption fees.

Date Completed: 5-11-09

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