
Bill/Sponsor **HOUSE BILL 5255 (H-3)**, Rep. Daniel J. Acciavatti
HOUSE BILL 5242 (H-2), Rep. Tupac A. Hunter
HOUSE BILL 5246 (H-1), Rep. David Farhat
HOUSE BILL 5248 (as introduced), Rep. Joe Hune

House Committee Commerce

Analysis **Summary**
House Bill 5255 would amend the Michigan Economic Growth Authority Act by increasing membership on the MEGA board from four to six and requiring the advice and consent of the Senate of these Governor appointees. The bill also defines “distressed business” and includes these businesses as eligible for the MEGA tax credit program. There is also language included that requires authorized businesses to make a good-faith effort to use Michigan-based suppliers and vendors when purchasing goods and services. There is an additional reporting requirement that the annual report to the legislature include the names and addresses of officers, partners and members of authorized businesses receiving MEGA tax credits.

House Bills 5242, 5246, and 5248 would amend the Single Business Tax (SBT) Act to extend to December 31, 2009, the ability of MEGA to grant SBT tax credits.

Fiscal Impact

These bills would reduce SBT revenue, all of which accrues to the General Fund/General Purpose (GF/GP), by an unknown amount. The fiscal impact of these bills depends on the number and size of the credits granted. In addition, these bills would reduce SBT revenue by an estimated \$1 to \$5 million for the credit based on the Unemployment Insurance liability for the authorized, distressed businesses.

Analyst(s)
Steve Stauff
Rebecca Ross

FLOOR ANALYSIS - 12/4/03