

Incentive Credits

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Principal Credits Under Current SBT Act

- MEGA Job Creation/Retention Credits
 - Jobs Credit (MCL 208.37c)
 - Business Activity Credit (MCL 208.37d)
- Brownfield Redevelopment Credit (MCL 208.38g)
- Historic Rehabilitation/Preservation Credit (MCL 208.39c)
- Renaissance Zone Credit (MCL 208.39b)

Possible Fate of Principal Credits

	Governor	Mich. Chamber	Grand Rapids Chamber	Detroit Chamber	Fair Tax	Subtractive Value-Added/Income Tax
MEGA Jobs Credit	Yes (+5 yrs.)	No	No	No	No	Unclear
MEGA Bus. Activity	No	No	No	No	No	Unclear
Brownfield	Yes (+5 yrs.)	No	No	No	No	Unclear
Historic Rehab./Preservation	Yes	No	No	No	No	Unclear
Renaissance Zone	Yes	No	No	No	No	Unclear
Previously approved credits protected?	Yes	Yes	Yes	Not addressed	N.A.	N.A.

Changes to Principal Incentive Credits Under Governor's Bill

- MEGA Business Activity Credit eliminated (rarely used; sec. 32)
- Brownfield and MEGA Jobs Credits extended 5 years (secs. 32 and 35)
- New discretionary 50% credit for investment in small R&D business (sec. 36)
 - Maximum \$500,000; 25/year
 - Under 50 full-time employees or \$10M gross receipts

Planning Tips for Brownfield Credits During Uncertainty

- Consider whether to claim existing SBT Brownfield Credits under current law, through 2007 tax year
 - File certificate of completions ASAP
 - Seek amendment of project description if need certainty or credits under SBT
 - Evaluate future tax liability under potential replacement tax compared to SBT liability or proceeds from sale or other assignment of SBT credits

Other Considerations

- Governor's bill would eliminate interim refundability of SBT Brownfield and Historic Credits created under P.A. 240 of 2006
- Impact of possible reduction of personal property tax millage on existing tax increment financing projects