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## BILL ANALYSIS



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Senate Bill 91 (as enacted)  
Sponsor: Senator Nancy Cassis  
Senate Committee: Finance  
House Committee: Tax Policy

**PUBLIC ACT 185 of 2009**

Date Completed: 1-4-10

**CONTENT**

**The bill amended the Michigan Business Tax (MBT) Act to revise a formula that a taxpayer may use to compute the MBT for a first tax year that is less than 12 months.**

The Act describes two methods that a taxpayer may use to calculate the MBT if the taxpayer's tax year ended before December 31, 2008, or if the taxpayer's first tax year is less than 12 months. Under one method, the MBT may be computed as if the Act were effective on the first day of the taxpayer's annual accounting period and the amount computed must be multiplied by a fraction whose the numerator is the number of months in the taxpayer's first tax year. Previously, the denominator was 12. Under the bill, the denominator is the number of months in the taxpayer's annual accounting period.

The bill is effective for tax years ending after December 31, 2008.

MCL 208.1503

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill clarifies how taxpayers that have a tax year that does not coincide with the calendar year, will prorate their Michigan Business Tax liability. This change is technical in nature and therefore will not have any fiscal impact.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.