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LT. GOVERNOR

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Michigan House of Representatives
Michigan Senate
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I am returning to you unsigned Senate Bill 362.

The bill would have amended the Financial Institution Tax Act to revise the apportionment formula for a financial institution with respect to gross business attributable to the foreign business of a controlled foreign corporation. The change has the effect of removing foreign equity from the tax base for large multinational banks.

Senate Bill 362 represents a significant departure from the tax policy practices that have allowed the state to return to solid financial footing. Were it to become law, SB 362 would likely result in a reduction of revenues between \$10 and \$15 million annually.

I am vetoing SB 362 because I do not believe it is appropriate tax policy.

Sincerely,

Rick Snyder
Governor