

Legislative Analysis



MBT: MOVIE THEATERS

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House Bill 5863

Sponsor: Rep. Michael Sak

Committee: Tax Policy

Complete to 3-11-08

A SUMMARY OF HOUSE BILL 5863 AS INTRODUCED 3-5-08

The bill would amend the newly enacted Michigan Business Tax Act to exclude from the tax base, beginning with the 2008 tax year, all film rental or royalty payments paid by a theater owner to a film distributor and/or a film producer. The bill does this by including these payments in the definition of "purchases from other firms." These purchases are excluded from gross receipts when determining the MBT tax base.

Currently, the MBT Act includes in the term "purchases from other firms" 50 percent of these payments for tax year 2009 and all of the payments for tax years 2010 and beyond.

MCL 208.1113

FISCAL IMPACT:

The bill would reduce FY2007-08 and FY2008-09 MBT revenue by an unknown amount. All MBT revenue accrues to the General Fund.

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