



Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 796 (Substitute S-1 as reported)  
Senate Bill 889 (Substitute S-1 as reported)  
Sponsor: Senator Nancy Cassis  
Committee: Finance

### **CONTENT**

Senate Bill 796 (S-1) would amend Section 455 of the Michigan Business Tax (MBT) Act to do the following in regard to the tax credit that an eligible production company may receive for production expenditures:

- Delete provisions under which information submitted by a production company to the Michigan Film Office is confidential.
- Require the Film Office to post on its website a quarterly report regarding production companies' tax credits.
- Require a production company's credit agreement to include information about other State or local assistance the company received.
- Require the Film Office's annual report to include a breakdown of the jobs held by employees of eligible production companies that qualified for a credit, as well as other State or local assistance provided to those companies.
- Require the Treasury Department to forward copies of postproduction certificates of completion to the Governor, the president of the Michigan Strategic Fund, and the chairpersons of the Senate Finance Committee and the House Tax Policy Committee.

The quarterly report would have to be posted on the 15<sup>th</sup> of January, April, July, and October each year. For the preceding quarter and the total for the year, the report would have to contain the number of credit applications received (including a description of the proposed production, the locations to be used, and the proposed amount of money to be spent); the number of applications approved; the number of postproduction certificates of completion issued; and the actual amount of refundable credits allowed.

(Under Section 455, the Michigan Film Office may enter into agreements with eligible production companies for a refundable MBT or income tax credit, equal to 42% of direct production expenditures for a qualified production in a "core community", 40% of those expenses for a qualified production elsewhere, and 30% for qualified personnel expenditures. If the Film Office determines that an eligible production company has complied with its agreement, the Office must issue a postproduction certificate of completion to the company, which must submit the certificate to the Treasury Department.)

Senate Bill 889 (S-1) would amend the revenue Act to require the State Treasurer to divulge the information contained in a postproduction certificate of completion as provided under Section 455 of the Michigan Business Tax Act.

MCL 208.1455 (S.B. 796)  
205.28 (S.B. 889)

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 10-8-09

Fiscal Analyst: Elizabeth Pratt  
Maria Tyszkiewicz

Floorsb796

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.