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BILL ANALYSIS

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Senate Bill 889 (as introduced 10-8-09)  
Sponsor: Senator Nancy Cassis  
Committee: Finance

Date Completed: 10-8-09

### **CONTENT**

The bill would amend the revenue Act to require the State Treasurer to divulge the information contained in a postproduction certificate of completion described under Section 455 of the Michigan Business Tax Act.

(Section 455 requires the Michigan Film Office to issue a postproduction certificate of completion to a qualified production company that has complied with its agreement for a Michigan Business Tax or income tax credit. The production company must submit the certificate to the Department of Treasury. A certificate of completion must contain the following:

- The name of the eligible production company.
- The name of the certified production produced entirely or partly in this State.
- The production company's direct production expenditures and qualified personnel expenditures for the qualified production.
- The date of completion for the qualified production in this State.
- The unique number assigned to the production by the Film Office.
- The production company's Federal employer ID number or Michigan Treasury number.
- Any independent certification required by the Department or the Film Office.)

The revenue Act prohibits a current or former employee or authorized representative of the Department of Treasury, or anyone connected with the Department, from divulging any facts or information obtained in connection with the administration of a tax, except as otherwise provided. A violation is a felony punishable by a maximum fine of \$5,000, imprisonment for up to five years, or both. If the violator is a State employee, he or she must be dismissed from employment upon conviction.

Under the bill, the prohibition would not apply to the State Treasurer's disclosure of information in a postproduction certificate of completion.

MCL 205.28

### **BACKGROUND**

Section 455 of the Michigan Business Tax Act authorizes the Michigan Film Office, with the concurrence of the State Treasurer, to enter into agreements with eligible production companies for Michigan Business Tax or income tax credits. An eligible production company

is an entity in the business of producing "qualified productions", such as motion pictures, television series, music videos, video games, commercials, and digital animation.

To qualify for a credit, a production company must spend at least \$50,000 in Michigan for the development, preproduction, production, and postproduction costs of a State-certified qualified production. The amount of a credit is 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.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

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

Fiscal Analyst: Elizabeth Pratt  
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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.