



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4949 (as reported without amendment)
Sponsor: Representative Jud Gilbert, II
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend Part 2 (Corporate Income Tax) of the Income Tax Act to delete language that limits the carry-forward of a business loss to 10 taxable years after the loss year (but retain language that limits the carry-forward to the year following the loss year and the next nine taxable years).

The Act allows a taxpayer to deduct from the Corporate Income Tax (CIT) any available business loss incurred after December 31, 2011. "Business loss" means a negative business income taxable amount after allocation or apportionment.

The business loss may be carried forward to the year immediately following the loss year as an offset to the allocated or apportioned CIT base, and then to the next nine taxable years after the loss year or until the loss is used up, whichever occurs first, but not for more than 10 taxable years after the loss year.

The bill would delete the language limiting the carry-forward to 10 taxable years after the loss year.

The bill would take effect on January 1, 2012.

MCL 206.623

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Date Completed: 12-14-11

Fiscal Analyst: David Zin