



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



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

House Bill 4949 (as passed by the House)
Sponsor: Representative Jud Gilbert, II
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 12-14-11

CONTENT

The bill would amend Part 2 (Corporate Income Tax) of the Income Tax Act to delete a limit on the number of years that a business loss may be carried forward.

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.

Fiscal Analyst: David Zin

S1112\4949sa.

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.