

**MINUTES OF THE COMMITTEE
ON
TAX POLICY**

Wednesday, October 23, 2013 9:00 a.m. Room 519, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jeff Farrington.

Members present: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Members absent/excused: None.

Representative Kelly moved to approve the minutes of October 16, 2013.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HBs 4920 and 4921:

HB 4920 (Walsh) Sales tax; collections; accelerated filers; revise effective date.

HB 4921 (Walsh) Use tax; collections; accelerated filer; revise effective date.

Valerie Knol, Office of Representative Walsh, explained the bills to the committee.

Howard Ryan, Michigan Department of Treasury, supported the bills.

Tricia Kinley, Michigan Chamber of Commerce, supported the bills.

The Chair laid before the committee HB 5017:

HB 5017 (O'Brien) Property tax; exemptions; exemption for development property;
expand to include both land and new construction.

Representative O'Brien, bill sponsor, explained the bill to the committee.

Dawn Crandall, Homebuilders Association of Michigan, supported the bill.

Howard Ryan, Michigan Department of Treasury, supported the bill.

Amanda Fisher, National Federation of Independent Business, supported the bill.

Tricia Kinley, Michigan Chamber of Commerce, supported the bill.

Brad Ward, Michigan Association of Realtors, supported the bill.

July Allen, Michigan Townships Association, opposed the bill.

Samantha Harkins, Michigan Municipal League, opposed the bill.

Jerry Johnson, Genesee Independent School District, opposed the bill.

Ray Telman, Middle Cities Education Association, opposed the bill.

Emily Laidlaw, Michigan Association of Intermediate School Administrators, opposed the bill.

Kathleen Merry, Wayne Real Estate Staging Association, opposed the bill.

Deena Bosworth, Michigan Association of Counties, opposed the bill.

Bob Kefgen, Michigan Association of Secondary School Principals, opposed the bill.

Becky Rocho, Calhoun Independent School Districts, opposed the bill.

Gerald Peregord, School EQ Caucus, opposed the bill.

Jennifer Smith, Michigan Association of School Boards, opposed the bill.

The Chair laid before the committee HB 5041:

HB 5041 (Farrington) Michigan business tax; administration; taxation of flow-through entities and unitary business groups; clarify.

Howard Ryan, Michigan Department of Treasury, supported the bill.

Tricia Kinley, Michigan Chamber of Commerce, supported the bill.

Representative Cotter moved to adopt the following amendment to HB 5041:

1. Amend page 6, following line 9, by inserting:
"Enacting section 1. This amendatory act is retroactive and effective for tax years that begin after December 31, 2011."

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None.

Representative Somerville moved to report HB 5041 as a substitute (H-1) with recommendation.

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None

The Chair laid before the committee HBs 5008 and 5010:

HB 5008 (Nesbitt) Corporate income tax; other, definition of officer, business loss, and ultimate destination; clarify.

HB 5010 (Cotter) Corporate income tax; exemptions; exemption for certain domestic international sales corporations and sales factor for certain flow-through entities; provide for and clarify.

John Lindley, Michigan Association of Certified Public Accountants, supported the bills as amended.

Allie Bush, Grand Rapids Area Chamber of Commerce, supported the bills.

Howard Ryan, Michigan Department of Treasury, supported the bills.

Tricia Kinley, Michigan Chamber of Commerce, supported the bills.

Brad Williams, Detroit Regional Chamber, supported the bills.

Mike Johnston, Michigan Manufacturers Association, supported the bills.

Representative Cotter moved to adopt the following amendment to HB 5008:

1. Amend page 24, following line 10, by inserting:
"Enacting section 1. This amendatory act is retroactive and effective for tax years that begin after December 31, 2011."

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None.

Representative Somerville moved to report HB 5008 as a substitute (H-1) with recommendation.

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None.

Representative Cotter moved to adopt the following amendment to HB 5010:

1. Amend page 5, following line 26, by inserting:

"Enacting section 1. This amendatory act is retroactive and effective for tax years that begin after December 31, 2011.".

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None.

Representative Foster moved to report HB 5010 as a substitute (H-1) with recommendation.

The motion prevailed by a vote of 15-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives Farrington, O'Brien, Genetski, Cotter, Foster, Lyons, Nesbitt, Price, Somerville, Kelly, Barnett, Switalski, Haugh, LaVoy and Townsend.

Nays: None.

Pass: None.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 9:40 a.m.

Representative Jeff Farrington, Chairman _____

Ben Williams Jr., Committee Clerk, (517) 373-1988

40 Minutes