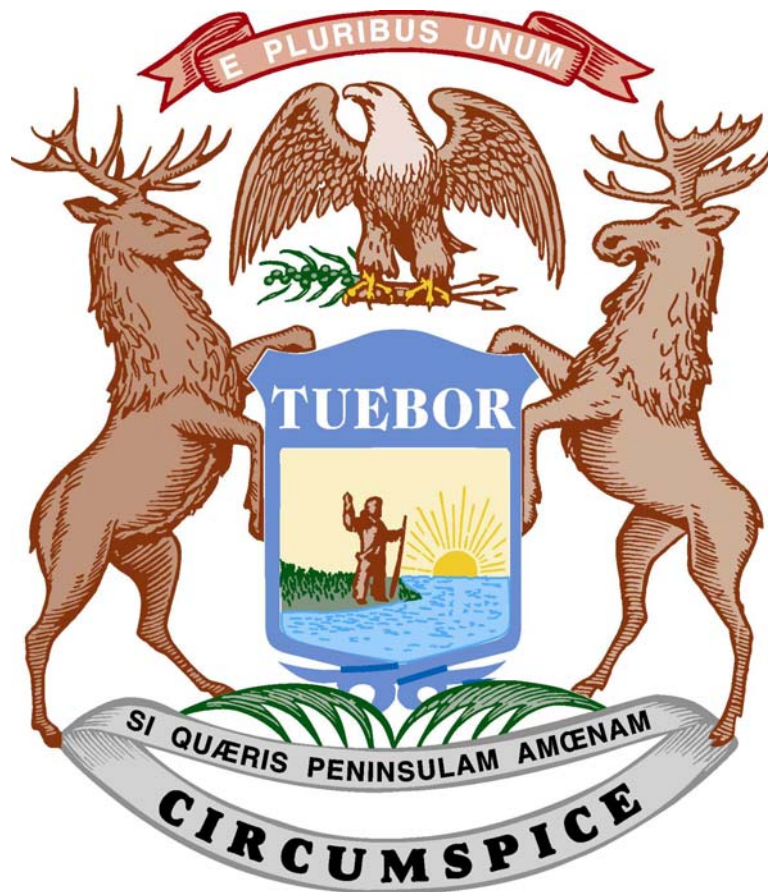


The Michigan Single Business Tax Statistical Tables 2003-2004



Michigan Department of Treasury
Office of Revenue and Tax Analysis
October 2009

**THE MICHIGAN SINGLE BUSINESS TAX
STATISTICAL TABLES
2003-2004**

**Office of Revenue and Tax Analysis, Tax Analysis Division
Michigan Department of Treasury
October 2009**

Acknowledgments

This report was prepared by Thomas Patchak-Schuster and Eric Krupka of the Office of Revenue and Tax Analysis, Tax Analysis Division, under the direction of Howard Heideman. Andrew Lockwood, ORTA, and Jeri Trotter of the Tax Policy Division provided tables.

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EXECUTIVE SUMMARY

- The Single Business Tax (SBT) was repealed effective December 31, 2007 and replaced by the Michigan Business Tax.
- The Single Business Tax (SBT) was a modified value-added tax (VAT). A pure VAT's tax base equals the value a firm adds to its products. Unlike a pure VAT, the SBT provided several exemptions from and deductions to value added. In addition, the SBT also offered numerous credits, which a pure VAT does not. For firms taxable in another state, the SBT's tax base was apportioned based mainly on the share of the firm's sales in Michigan.
- FY 2007 SBT revenues totaled \$2,010 million, down 4.5 percent from FY 2006 and down 21.5 percent from FY 1999's peak revenues. FY 2007 SBT revenues equaled 0.59 percent of Michigan personal income and accounted for 8.2 percent of State taxes and 23.5 percent of General Fund/General Purpose tax revenue.
- The SBT rate dropped from 2.3 percent to 2.2 percent for 1999, to 2.1 percent for 2000, to 2.0 percent for 2001 and to 1.9 percent for 2002.
- SBT revenue for tax years ending in December 2003 through November 2004 was \$1,774 million, a 3.9% decline from the prior year.
- Larger firms paid the majority of the SBT. Firms with a 2003-2004 SBT liability greater than \$10,000 accounted for only 24.0 percent of firms with an SBT liability, but 88.8 percent of total SBT revenues. Conversely, firms with an SBT liability less than \$1,000 comprised 46.0 percent of all filers but only 0.5 percent of total revenues.
- Among major industrial classifications, manufacturing firms and services sector firms each accounted for the largest sector share of 2003-2004 SBT revenue (26.7 percent), followed by the retail sector (15.1 percent).
- The business loss deduction (claimed capital acquisition deductions (CADs) not used in prior years and carried forward), reduced Michigan tax base by 2.1 percent. Recapture of previously claimed CADs increased Michigan tax base by 0.5 percent.
- Firms for which compensation accounted for more than 63 percent of their tax base may claim an excess compensation deduction. The excess compensation deduction reduced 2003-2004 SBT tax liability by \$295.8 million. The gross receipts reduction method assured that no firm's tax base exceeds half of its adjusted gross receipts. The gross receipts reduction method reduced firms' SBT liability by \$200.7 million.

- The small business/alternate tax credit was the SBT's largest tax credit. In 2003-2004, firms claiming the credit reduced their SBT liability by \$156.9 million.
- The investment tax credit (ITC) was the SBT's second largest tax credit. In 2003-2004, firms claimed ITC credits totaling \$150.9 million. Effective investment tax credits totaled \$129.0 million. Effective ITC reduced SBT tax base by 4.8 percent.
- The Unincorporated/S Corporation credit reduced 2003-2004 SBT liability by \$76.8 million.
- Corporations paid 64.7 percent of the 2003-2004 SBT liability. S Corporations paid 19.3 percent.
- In 2003-2004, the overall effective SBT tax rate equaled 1.2 percent. Across all major industrial classes, the effective SBT tax rate tended to rise as company size increases.
- In 2003-2004, SBT liability equaled 1.6 percent of apportioned compensation and 0.2 percent of apportioned gross receipts.
- Had the SBT been substituted with a standard CIT, the average rate necessary to generate the same amount of revenue today from corporations based on history from 1977 until 2003 would have been 7.18 percent.
- According to the FY 2007 study by the Council of State Taxation (COST), Michigan's state and local business taxes as a share of overall state and local business taxes ranked 22nd lowest among U.S. states. Also according to COST, Michigan's effective state and local business tax rate ranked 28th lowest. The COST figures appear to substantially overstate Michigan business property tax burden.

Data

Data for this report were compiled from tax returns filed for tax years ending in December 2003 through November 2004. For the purposes of this report, two categories of filers were eliminated from the analysis. The first category includes firms that had no liability and were not required to file because they were below the gross receipts filing threshold. The second category includes firms that had no liability and provided insufficient information to calculate a liability. Excluding these two categories of returns, aggregated statistics that appear in this report are based on the remaining 134,745 SBT filers.

Whenever possible, tables and graphs that appear in this report use data from the total population of returns. However, in some instances it was necessary to omit certain firms from aggregated statistics. For example, firms that filed but had a tax base of zero (possibly because they used the gross receipts short method to file or filled out the simplified form) were excluded from the calculation of components of the MTB (see Exhibit 12, page 14) and effective tax rate calculations (see Exhibits 23 and 24, pages 25 and 26). In addition, a number of firms were omitted from calculation of SBT liability as a percent of gross receipts (see Exhibit 26, page 28), as they did not provide needed information. These instances were noted in the relevant tables and graphs.

Exhibit 1
Single Business Tax Revenue History*

Fiscal Year	SBT Revenue (Millions)	Percent Change From Prior Year	Percent of Total State Taxes **	Percent of State Personal Income ***
1980	\$1,225	10.3 %	20.0 %	1.31 %
1981	1,053	-14.0	17.0	1.04
1982	1,047	-0.6	16.4	1.00
1983	1,143	9.2	15.6	1.05
1984	1,384	21.0	16.5	1.15
1985	1,495	8.1	16.7	1.14
1986	1,675	12.0	18.1	1.19
1987	1,638	-2.2	17.1	1.12
1988	1,873	14.3	18.2	1.21
1989	1,922	2.6	17.7	1.16
1990	1,877	-2.3	17.0	1.08
1991	1,750	-6.8	14.9	0.97
1992	1,863	6.5	15.2	0.98
1993	1,979	6.2	15.4	0.99
1994	2,230	12.7	14.8	1.04
1995	2,344	5.1	13.4	1.04
1996	2,393	2.1	12.9	1.02
1997	2,407	0.6	12.4	0.98
1998	2,492	3.5	12.1	0.96
1999	2,560	2.7	11.7	0.93
2000	2,517	-1.7	11.0	0.86
2001	2,224	-11.6	9.9	0.75
2002	2,211	-0.6	10.0	0.73
2003	2,074	-6.2	9.2	0.67
2004	2,071	-0.1	9.1	0.65
2005	2,157	4.1	9.0	0.66
2006	2,106	-2.4	8.7	0.64
2007	2,010	-4.5	8.2	0.59
2008 ****	640			

* Includes insurance company retaliatory taxes.

** Does not include fees, permits or licenses.

*** Based on Bureau of Economic Analysis state personal income data, March 24, 2009 release.

**** SBT repealed effective 12/31/07. Includes \$50.8 million of insurance company taxes for October-December 2007. FY 2008 Michigan Business Tax, including insurance company taxes for January-September 2008, totaled \$2,063 million.

Source: State of Michigan Comprehensive Annual Financial Reports and Bureau of Economic Analysis.

Exhibit 2
SBT Revenues* as a Percent of Total State Tax Revenues
and as a Percent of State Personal Income



* Includes taxes paid by insurance companies. FY 2008 includes MBT revenue.

Source: State of Michigan Comprehensive Annual Financial Report and Executive Budget.

Exhibit 3
Single Business Tax, 2003-2004

<u>Business Sector</u>	<u>Number of Firms</u>	<u>Percent of Firms</u>	<u>Tax Liability</u>	<u>Percent of Liability</u>
Agriculture, Forestry, and Fishing	1,946	1.4 %	\$9,582,990	0.5 %
Mining	480	0.4	5,669,254	0.3
Construction	13,478	10.0	85,216,729	4.8
Manufacturing	13,354	9.9	473,413,008	26.7
Other Durable Manufacturers	5,342	4.0	122,714,685	6.9
Non-Durable Manufacturers	3,059	2.3	137,073,146	7.7
Primary Metals	507	0.4	20,673,482	1.2
Fabricated Metals	1,996	1.5	46,417,255	2.6
Machinery--Except Electrical	1,786	1.3	43,154,490	2.4
Transportation Equipment	664	0.5	103,379,950	5.8
Transportation	3,415	2.5	40,664,705	2.3
Communications and Utilities	1,356	1.0	83,990,329	4.7
Wholesale Trade	5,113	3.8	88,469,444	5.0
Retail Trade	29,774	22.1	267,370,770	15.1
Finance, Insurance, and Real Estate	16,462	12.2	152,473,235	8.6
Services	41,091	30.5	473,813,831	26.7
Not Elsewhere Classified/Misc.	<u>8,276</u>	<u>6.1</u>	<u>93,054,771</u>	<u>5.2</u>
All Businesses	134,745	100.0 %	\$1,773,719,066	100.0 %

Note: Liability figures represent tax years ending December 2003 or January through November 2004.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

**Exhibit 4
2003-2004 Tax Liability Breakdown**

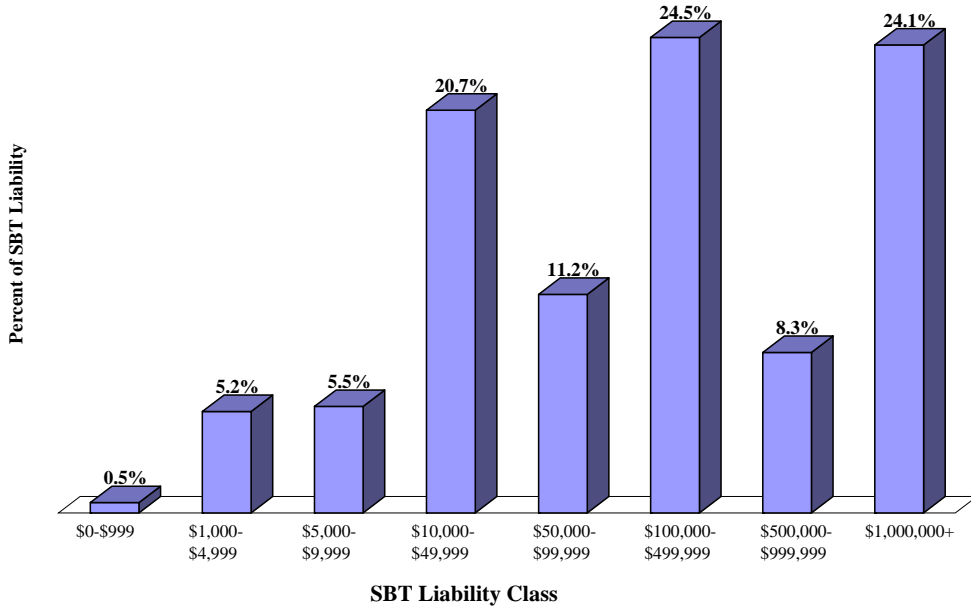
<u>Liability Class</u>	<u>Number of Firms</u>	<u>Percent of Firms</u>	<u>Cumulative Percent</u>	<u>Tax Liability</u>	<u>Percent of Liability</u>	<u>Cumulative Percent</u>
\$1,000,000 - and over	143	0.11 %	0.11 %	\$427,095,012	24.08 %	24.08
\$500,000 - \$999,999	218	0.16	0.27	146,403,176	8.25	32.33
\$100,000 - \$499,999	2,214	1.64	1.91	433,902,322	24.46	56.80
\$50,000 - \$99,999	2,854	2.12	4.03	199,475,037	11.25	68.04
\$10,000 - \$49,999	17,096	12.69	16.72	367,483,542	20.72	88.76
\$5,000 - \$9,999	13,711	10.18	26.89	97,211,963	5.48	94.24
\$1,000 - \$4,999	36,484	27.08	53.97	92,609,902	5.22	99.46
\$500 - \$999	9,118	6.77	60.74	6,847,689	0.39	99.85
\$100 - \$499	8,683	6.44	67.18	2,544,399	0.14	99.99
\$50 - \$99	1,415	1.05	68.23	104,925	0.01	100.00
\$1 - \$49	1,821	1.35	69.58	41,099	0.00	100.00
\$0	40,988	30.42	100.00	No Liability	0.00	100.00
Total	134,745	100.00 %		\$1,773,719,066	100.00 %	

<u>Michigan Tax Base Class</u>	<u>Number of Firms</u>	<u>Percent of Firms</u>	<u>Cumulative Percent</u>	<u>Tax Liability</u>	<u>Percent of Liability</u>	<u>Cumulative Percent</u>
\$100,000,000 - and over	89	0.07 %	0.07 %	\$352,831,248	19.89 %	19.89
\$50,000,000 - \$99,999,999	136	0.10	0.17	125,794,977	7.09	26.98
\$10,000,000 - \$49,999,999	1,554	1.15	1.32	412,638,634	23.26	50.25
\$5,000,000 - \$9,999,999	2,409	1.79	3.11	208,949,625	11.78	62.03
\$2,000,000 - \$4,999,999	6,672	4.95	8.06	250,524,242	14.12	76.15
\$1,000,000 - \$1,999,999	10,157	7.54	15.60	161,543,426	9.11	85.26
\$500,000 - \$999,999	17,579	13.05	28.64	123,472,504	6.96	92.22
\$100,000 - \$499,999	53,569	39.76	68.40	117,600,388	6.63	98.85
\$50,000 - \$99,999	10,118	7.51	75.91	4,470,662	0.25	99.10
\$1 - \$49,999	11,892	8.83	84.73	1,027,105	0.06	99.16
\$0 or less	20,570 *	15.27	100.00	14,866,255	0.84	100.00
Total	134,745	100.00 %		\$1,773,719,066	100.00 %	

* Includes gross receipts short-method filers who do not report their Michigan Tax Base (recorded as zero).

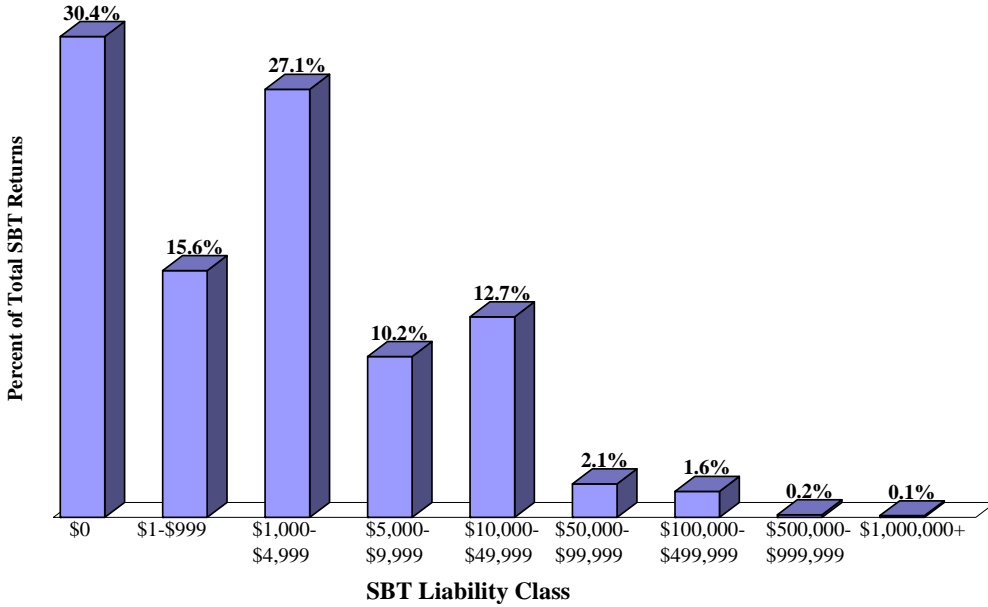
Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

**Exhibit 5
Distribution of SBT Liability
2003-2004**



Note: Includes all firms filing SBT returns using forms C-8000 and C-8044. Figures may not sum to 100% due to rounding.
Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

**Exhibit 6
Distribution of Firms Filing an SBT Return
2003-2004**



Note: Includes all firms filing SBT returns using forms C-8000, and C-8044. Figures may not sum to 100% due to rounding.
Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 7
Comparison:
Pure Value-Added Tax and Michigan SBT

	<u>Tax Base</u>	<u>Minus</u>	<u>Exemptions, Reductions and Deductions</u>	<u>Times</u>	<u>Tax Rate</u>	<u>Minus</u>	<u>Credits</u>
Pure VAT (Consumption Type)	Profits Interest Paid Dividends Paid Compensation (Capital Expenditures)	-	None	x	Determined	-	None
Michigan Single Business Tax	FTI* Additions Compensation Depreciation (Subtractions)	-	Agricultural Producers Exemption Business Loss Deduction Excess Compensation Reduction FICA, UI and WC Exemption Floor Plan Interest Deduction Government Utilities Exemption Gross Receipts Reduction Gross Receipts Threshold Health Insurance Deduction *** Multiple Welfare Dental Exemption Nonprofit Organization Exemption PEO Compensation Exemption Research Fund Exclusion Statutory Exemption	x	1.9%	-	Apprenticeship Brownfield Community Foundation Corporate Farm Property Tax Donated Automobile Enterprise Zone Higher Education Historic Preservation Homeless Shelter/Food Bank Industrial Personal Property Tax Insurers' Facility Assessment Investment Tax Credit** Low Grade Iron Ore MEGA Non Refundable MEGA Refundable Next Energy Non Refundable Next Energy Refundable Pharmaceutical R&D Property Transfer Qualified Start-up Business Renaissance Zone Research and Development Small Business/Low Profit Supplemental Workers Comp. Unincorporated Business Utility Property Tax

* Federal Taxable Income is equal to revenue minus costs minus depreciation.

** Capital Expenditures are no longer deducted from tax base for tax years after 1999 and have been replaced by an Investment Tax Credit (Public Act 115 of 1999).

*** 50 percent for tax years beginning after 2006.

Exhibit 8
State Standard Apportionment Formulas of Corporate Income*
(Formulas for TY 2008)**

State	Weights			State	Weights		
	Sales Factor	Property Factor	Payroll Factor		Sales Factor	Property Factor	Payroll Factor
Alabama	33.3	33.3	33.3	Mississippi	(9) 33.3	33.3	33.3
Alaska	33.3	33.3	33.3		(10) 50	25	25
Arizona	(1) 50	25	25		(11) 100	0	0
Arkansas	50	25	25	Missouri	33.3	33.3	33.3
California	50	25	25		(12) 100	0	0
Colorado	(2) 33.3	33.3	33.3	Montana	33.3	33.3	33.3
	50	25	25	Nebraska	100	0	0
Connecticut	(3) 50	25	25	New Hampshire	50	25	25
	(4) 100	0	0	New Jersey	50	25	25
Delaware	33.3	33.3	33.3	New Mexico	(13) 33.3	33.3	33.3
Florida	(5) 50	25	25		50	25	25
Georgia	100	0	0	New York	100	0	0
Hawaii	33.3	33.3	33.3	North Carolina	50	25	25
Idaho	50	25	25	North Dakota	33.3	33.3	33.3
Illinois	100	0	0	Ohio	60	20	20
Indiana	70	15	15	Oklahoma	(14) 33.3	33.3	33.3
Iowa	100	0	0		50	25	25
Kansas	33.3	33.3	33.3	Oregon	100	0	0
Kentucky	50	25	25	Pennsylvania	70	15	15
Louisiana	(6) 100	0	0	Rhode Island	33.3	33.3	33.3
	33.3	33.3	33.3	South Carolina	(15) 50	25	25
Maine	100	0	0		(16) 100	0	0
Maryland	(7) 100	0	0	Tennessee	50	25	25
	50	25	25	Utah	(17) 33.3	33.3	33.3
Massachusetts	(8) 50	25	25		50	25	25
	100	0	0	Vermont	50	25	25
Michigan	100	0	0	Virginia	50	25	25
Minnesota	81	9.5	9.5	West Virginia	50	25	25
				Wisconsin	100	0	0

Summary:

Number of States using 1/3, 1/3, 1/3 formula	8	Number of states using multiple formulas:	
Number of States using 50-25-25 formula	13	with highest sales factor at 50 percent	4
Number of States using sales factor above 50 percent	13	with highest sales factor above 50 percent	7

* Does not include special apportionment rules that apply to specific industries, nor formulas for states with no Corporate Income Tax.

** as of January 1, 2008.

- | | |
|---|--|
| (1) Enhanced sales factor: 70-15-15 | (13) Firms that meet certain requirements have the option to use double-weighted sales factor formula. |
| (2) Option between three-factor or two-factor formulae. | (14) Some corporations are allowed to use the double-weight sales factor formula. |
| (3) Formula used by other sectors. | (15) Formula used by manufacturers or dealers in tangible personal property. |
| (4) Formula used by manufacturing and broadcasting | (16) Formula used by other sectors. |
| (5) Citrus producers use 100% sales weight | Taxpayers are allowed 40% of the reduced taxes from a single sales factor apportionment |
| (6) Formula for manufacturing and merchandising. | (17) Taxpayer may elect to use 50-25-25 formula. |
| (7) Manufacturing and transportation operators. | |
| (8) Manufacturing | |
| (9) Formula used by manufacturers selling at wholesale. | |
| (10) Formula used by manufacturers selling at retail. | |
| (11) Formula used by retailers, service companies, and lessors. | |
| (12) Single factor sales formula equals the sum of intrastate sales plus 50% of interstate sales divided by sales everywhere. | |

Source: RIA Checkpoint and Federation of Tax Administrators.

Exhibit 9

Michigan Single Business Tax Filing Provisions 1976-1993

	<u>MCL Section</u>	<u>RAB,O&A</u>	<u>1976</u>	<u>1977-1983</u>	<u>1984</u>	<u>1985-1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Gross Receipts Filing Requirements	208.73(1)		\$34,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$60,000	\$100,000	\$100,000
SBT Tax Rate Percentage	208.31(1)		2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%
Alternate Tax Rate Percentage	208.36(4)							4%	4%	4%	3%	3%
Apportionment % (Property/Payroll/Sales)	208.45, 45a		33-33-33	33-33-33	33-33-33	33-33-33	33-33-33	33-33-33	33-33-33	30-30-40	30-30-40	25-25-50
CAD Apportionment %	(b) 208.23, 23b	RAB 92-03	50-50	50-50	50-50	50-50	50-50	33-33-33	33-33-33	30-30-40	30-30-40	25-25-50
Statutory Exemption	208.35(1)(a)	RAB 89-51	\$34,000*	\$40,000	\$40,000	\$40,000	\$40,000	\$41,000	\$42,000	\$43,000	\$44,000	\$45,000
Additional Exemption	208.35(1)(a)	RAB 89-51	\$10,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
FICA, WC, UI in Compensation (d)	208.4(3)(c)(d)(e)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SBC Gross Receipts Disqualifier (disqualified if > \$)	208.36(2)			\$3,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$7,000,000	\$7,250,000	\$7,500,000	\$10,000,000	\$10,000,000
SBC Excess Gross Receipts Reduction	208.36(6)			\$2,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$6,000,000	\$6,250,000	\$6,500,000	\$9,000,000	\$9,000,000
SBC Adjusted Business Income (ABI) Disqualifier - Corp	208.36(2)			\$300,000	\$450,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000
SBC ABI & Allocated Income Disqualifier	208.36(2)(a)(b)			\$60,000	\$90,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
Maximum Small Business Credit Allowed	208.36(6)	Q&A S 1-S 22		50%	90%	90%	100%	100%	100%	100%	100%	100%
Public/College Contrib. Credit (Not Ind/Fdcy)	(a) 208.38	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Public Utilities Credit (Corp only)	208.39		5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Community Foundation Credit	(a) (c) 208.38c	RAB 92-10						(a)	(a)	(a)	(a)	(a)
Homeless Credit	(a) 208.38f	RAB 92-10									(a)	(a)
Enterprise Zone Credit	208.37a	RAB88-01,93-10				85 No 86 Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workers Comp (WDSB) Refundable Credit	208.38b				Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Unincorporated/S-Corp Credit	208.37		No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
High Tech Credit	208.37b		No	No	No	85 No 86 Yes	Yes	Yes	Yes	Yes	No	No
Job Tax Credit	208.36a			1983 only								
Federal Unemployment Tax Act Credit	208.38a			1983	yes					yes	yes	
Child Care Credit	208.39a			1981, 1982								

(a) Smaller of \$5,000, 50 percent of contribution, or 5 percent of tax.

(b) Property/payroll until 10/1/89, then property/payroll/sales for tax years beginning after 09/30/89.

(c) Includes 1989 fiscal year filers.

(d) FICA denotes federal insurance contributions act (Social Security and Medicare). WC denotes workers compensation. UI denotes unemployment insurance.

* 1977 fiscal year filers \$36,000.

Source: Tax Policy Division, Michigan Department of Treasury.

**Exhibit 9 (cont.)
(1994-2000)**

	<u>MCL Section</u>	<u>RAB, O & A</u>	<u>1994</u>	<u>1995-1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Gross Receipts Filing Requirements (f)	208.73(1), 39e(8)		\$137,500	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Gross Receipts Threshold, Controlled Group	(c) 208.73(5)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SBT Tax Rate Percentage	(b)(e) 208.31(1)		(b)	2.3%	2.3%	2.3%	2.2% (e)	2.1% (e)
Alternate Tax Rate Percentage	(b) 208.36(4)		(b)	2%	2%	2%	2%	2%
Apportionment % (Property/Payroll/Sales)	208.45, 45a		25-25-50	25-25-50	10-10-80	10-10-80	5-5-90	5-5-90
CAD Apportionment %	208.23, 23b	RAB 92-03	25-25-50	25-25-50	10-10-80	10-10-80	5-5-90	No CAD
Investment Tax Credit	208.35a							Yes
FICA, WC, UI in Compensation	208.4(3)(c)(d)(e)		Yes	No	No	No	No	No
Health and Welfare Plans in Compensation	208.4(3)(f)		Yes	Yes	Yes	Yes	Yes	Yes
Statutory Exemption	208.35(1)(a)	RAB 89-51	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Additional Exemption	208.35(1)(a)	RAB 89-51	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
SBC Gross Receipts Disqualifier	208.36(2)		\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
SBC Excess Gross Receipts Reduction	208.36(6)		\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
SBC Adjusted Business Income (ABI) Disqualifier - Corp	208.36(2)		\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000
SBC ABI & Allocated Income Disqualifier	208.36(2)(a)(b)		\$95,000	\$95,000	\$95,000	\$115,000	\$115,000	\$115,000
SBC ABI & Allocated Income Reduct	(d) 208.36(2)(c), 36d					(d)	(d)	(d)
Public/College Contrib. Credit (Not Ind/Fdcy)	(a) 208.38	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Community Foundation Credit	(a) 208.38c	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Homeless Credit	(a) 208.38f	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Public Utilities Credit (Corp only)	208.39		5%	5%	5%	5%	5%	5%
Unincorporated/S-Corp Credit	208.37		Yes	Yes	Yes	Yes	Yes	Yes
Enterprise Zone Credit	208.37a	RAB 88-01, 93-10	Yes	Yes	Yes	Yes	Yes	Yes
MEGA Credit, (Partially Refundable)	208.37c & d			Yes	Yes	Yes	Yes	Yes
Low Grade Hematite Pellet Credit	208.39d							
Renaissance Zone Credit	208.39b				Yes	Yes	Yes	Yes
Michigan Historic Preservation Credit	208.39c						Yes	Yes
Brownfield Credit - "old"	208.38d				Yes	Yes	Yes	Yes
Brownfield Credit - "new" approval window	208.38g							Yes
Workers Comp (WDSB) Refundable Credit	208.38b		Yes	Yes	Yes	Yes	Yes	Yes
Apprentice Refundable Credit	208.38e				Yes	Yes	Yes	Yes
CAD Credit	208.36c				Yes	Yes	Yes	No
NEXT Energy Credit	208.39e							
Pharmaceutical R&D Credit	208.39f							

(a) Smaller of \$5,000, 50 percent of contribution, or 5 percent of tax.

(b) Effective 10/1/94 SBT rate from 2.35 percent to 2.3 percent and Alternate Tax Rate from 3-2 percent. Blended rates required for TYE 10/94 thru 8/95.

(c) If total gross receipts for controlled group are over filing requirement, all members must file returns, effective for all tax years ending after 06/30/94.

Members of controlled groups whose gross receipts are less than \$100,000 should not be included in the summing of GRs to determine filing requirement.

These members are not required to file, but are required to be on the C-8009.

(d) Reduce credit by: 20 percent with \$95,001-\$99,999; 40 percent with \$100,000-\$104,999; 60 percent with \$105,000-\$109,999; 80 percent with \$110,000-\$114,999; no credit if greater than \$115,000.

(e) Tax rate reduced by 0.1 percentage point annually beginning 1/1/99 whenever Rainy Day Fund balance for the prior fiscal year exceeds \$250M. Blended rates required for FYE & short period returns.

(f) Beginning 2003, gross receipts filing threshold based on apportioned or allocated gross receipts. Prior to 2003, threshold based on apportioned or allocated gross receipts plus CAD recapture.

(g) Excludes a percent of health and welfare plan payments. Beginning after 12/31/03, 5%; After 12/31/04, 20%; after 12/31/05, 40%; after 12/31/06, 50%.

Nexus standard for MI SBT: Department's position is found in RAB 98-1 (1989 to current). Throwback sales eliminated for TY beginning 1/1/98.

IRC reference changed to that in effect on 1/1/1999 or, at the option of the taxpayer, in effect for the tax year (effective 7/14/99, PA 115 of 1999).

Initiated Law 2 of 2006 repeals SBT for tax years beginning after 12/31/2007.

Source: Tax Policy Division, Michigan Department of Treasury.

Exhibit 9 (cont.) (2001-2007)

	<u>MCL Section</u>	<u>RAB, O & A</u>	<u>2001</u>	<u>2002</u>	<u>2003-2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Gross Receipts Filing Requirements	(f),(i) 208.73(1), 39e(8)		\$250,000	\$250,000	\$350,000	\$350,000	\$350,000	\$350,000
Gross Receipts Threshold, Controlled Group	(c),(i) 208.73(5)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SBT Tax Rate Percentage	208.31(1)		2.0% (e)	1.9% (e)	1.9% (e)	1.9% (e)	1.9% (e)	1.9% (e)
Alternate Tax Rate Percentage	208.36(4)		2%	2%	2%	2%	2%	2%
Apportionment % (Property/Payroll/Sales)	208.45, 45a		5-5-90	5-5-90	5-5-90	5-5-90	3.75-3.75-92.5	3.75-3.75-92.5
CAD Apportionment %	208.23, 23b	RAB 92-03	No CAD	No CAD	No CAD	No CAD	No CAD	No CAD
Investment Tax Credit	208.35a		Yes	Yes	Yes	Yes	Yes	Yes
FICA, WC, UI in Compensation	208.4(3)(c)(d)(e)		No	No	No	No	No	No
Health and Welfare Plans in Compensation	208.4(3)(f)		Yes	Yes	(g)	(g)	(g)	(g)
Statutory Exemption	208.35(1)(a)	RAB 89-51	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Additional Exemption	208.35(1)(a)	RAB 89-51	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
SBC Gross Receipts Disqualifier	208.36(2)		\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
SBC Excess Gross Receipts Reduction	208.36(6)		\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
SBC Adjusted Business Income (ABI) Disqualifier - Corp	208.36(2)		\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000
SBC ABI & Allocated Income Disqualifier	208.36(2)(a)(b)		\$115,000	\$115,000	\$115,000 (d)	\$115,000 (d)	\$115,000 (d)	\$115,000 (d)
SBC ABI & Allocated Income Reduct	(d) 208.36(2)(c), 36d		(d)	(d)	(d)	(d)	(d)	(d)
Public/College Contrib. Credit (Not Ind/Fdcy)	(a) 208.38	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Community Foundation Credit	(a) 208.38c	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Homeless Credit	(a) 208.38f	RAB 92-10	(a)	(a)	(a)	(a)	(a)	(a)
Public Utilities Credit (Corp only)	208.39		5%	5%	5%	5%	5%	5%
Unincorporated/S-Corp Credit	208.37		Yes	Yes	Yes	Yes	Yes	Yes
Enterprise Zone Credit	208.37a	RAB 88-01, 93-10	Yes	Yes	Yes	Yes	Yes	Yes
MEGA Credit, (Partially Refundable)	208.37c & d		Yes	Yes	Yes	Yes	Yes	Yes
Low Grade Hematite Pellet Credit	208.39d		Yes	Yes	Yes	Yes	Yes	Yes
Renaissance Zone Credit	208.39b		Yes	Yes	Yes	Yes	Yes	Yes
Michigan Historic Preservation Credit	208.39c		Yes	Yes	Yes	Yes	Yes	Yes
Brownfield Credit - "old"	208.38d		No	No	No	No	No	No
Brownfield Credit - "new"	208.38g		Yes	Yes	Yes	Yes	Yes	Yes
Workers Comp (WDSB) Refundable Credit	208.38b		Yes	Yes	Yes	Yes	Yes	Yes
Apprentice Refundable Credit	208.38e		Yes	Yes	Yes	Yes	Yes	Yes
CAD Credit	208.36c		No	No	No	No	No	No
NEXT Energy Credit	208.39e				Yes	Yes	Yes	Yes
Pharmaceutical R&D Credit	208.39f				Yes	Yes	Yes	Yes
Qualified Start-up Business Credit	208.31a					Yes	Yes	Yes
Created Jobs Credit	208.37f					Yes	No	No
Donated Automobile Credit	208.37g					Yes	Yes	Yes
Industrial Personal Property Tax Credit	208.35d-h						Yes	Yes
Research and Development Credit	208.32						Yes	Yes
Transferred Jobs Credit	208.35i-j							Yes
Other Information						(b)	(b)	(b)

(a) Smaller of \$5,000, 50 percent of contribution, or 5 percent of tax.

(b) Subtraction allowed for Small Business Innovation Research & Michigan Technology grants (PA 258 of 2004).

(c) If total gross receipts for controlled group are over filing requirement, all members must file returns, effective for all tax years ending after 06/30/94.

Members of controlled groups whose gross receipts are less than \$100,000 should not be included in the summing of GRs to determine filing requirement.

These members are not required to file, but are required to be on the C-8009.

(d) Reduce credit by: 20 percent with \$95,001-\$99,999; 40 percent with \$100,000-\$104,999; 60 percent with \$105,000-\$109,999; 80 percent with \$110,000-\$114,999; no credit if greater than \$115,000.

(e) Tax rate reduced by 0.1 percentage point annually beginning 1/1/99 whenever Rainy Day Fund balance for the prior fiscal year exceeds \$250M. Blended rates required for FYE & short period returns.

(f) Beginning 2003, gross receipts filing threshold based on apportioned or allocated gross receipts. Prior to 2003, threshold based on apportioned or allocated gross receipts plus CAD recapture.

(g) Excludes a percent of health and welfare plan payments. Beginning after 12/31/03, 5%; After 12/31/04, 20%; after 12/31/05, 40%; after 12/31/06, 50%.

Nexus standard for MI SBT: Department's position is found in RAB 98-1 (1989 to current). Throwback sales eliminated for TY beginning 1/1/98.

IRC reference changed to that in effect on 1/1/1999 or, at the option of the taxpayer, in effect for the tax year (effective 7/14/99, PA 115 of 1999).

The column for the year 2006 is based on the law in effect at the time of this printing.

Initiated Law 2 of 2006 repeals SBT for tax years beginning after 12/31/2007.

Exhibit 10
Calculation of SBT Liability

	Compensation + Business Income + Additions - Subtractions <i>equals</i>
Section 1	Total Tax Base
Computation of the Michigan Tax Base	<i>times</i> Apportionment Factor <i>equals</i> Michigan Tax Base (MTB) <i>minus</i>
<hr/>	
Section 2	Net Capital Acquisition Deduction * Business Loss Deduction Statutory Exemption <i>equals</i>
Computation of the Adjusted Tax Base	Adjusted Tax Base (ATB)
<hr/>	
Section 3	Excess Compensation Reduction Method Gross Receipts Reduction/Short Method Alternate Tax Rate Method Straight Percentage Method <i>times</i>
Filing Methods	Tax Rate <i>equals</i> Tax Liability Before Credits <i>less</i>
<hr/>	
Section 4	Investment Tax Credit (ITC) * Small Business Credit Unincorporated/S Corporation Credit Public Utility Credit MEGA Credits Renaissance Zone Credit Other Credits <i>equals</i>
Credits	SBT Tax Liability

* Public Act 115 of 1999 replaces the capital acquisition deduction with an ITC for tax years beginning after 1999. CADs still recaptured upon sale of capital on which CAD was previously eligible to be claimed.

Exhibit 11
Michigan Tax Base, 2003-2004*

<u>Business Sector</u>	<u>Number of Firms</u>	<u>Total Tax Base</u>	<u>Michigan Tax Base (MTB)</u>	<u>MTB as a Percent of Total Tax Base</u>
Agriculture, Forestry, and Fishing	1,946	\$4,615,537,996	\$924,264,969	20.03 %
Mining	480	17,451,487,441	268,127,367	1.54
Construction	13,478	24,211,256,056	7,925,212,808	32.73
Manufacturing	13,354	570,533,553,535	34,957,684,518	6.13
Other Durable Manufacturers	5,342	185,987,274,402	8,735,829,772	4.70
Non-Durable Manufacturers	3,059	220,250,932,777	9,365,867,308	4.25
Primary Metals	507	11,214,953,343	1,366,127,422	12.18
Fabricated Metals	1,996	25,421,563,845	3,561,858,159	14.01
Machinery--Except Electrical	1,786	39,218,422,829	3,285,316,202	8.38
Transportation Equipment	664	88,440,406,339	8,642,685,654	9.77
Transportation	3,415	102,848,850,397	3,266,554,885	3.18
Communications and Utilities	1,356	66,219,129,774	6,003,861,465	9.07
Wholesale Trade	5,113	116,158,326,169	6,184,949,240	5.32
Retail Trade	29,774	287,018,972,016	20,519,537,964	7.15
Finance, Ins., and Real Estate	16,462	119,644,251,529	13,107,214,063	10.96
Services	41,091	423,985,679,866	41,333,751,920	9.75
Not Elsewhere Classified/Misc.	<u>8,276</u>	<u>125,439,199,638</u>	<u>7,312,160,256</u>	5.83
All Businesses	134,745	\$1,858,126,244,417	\$141,803,319,455	7.63 %

* Most gross receipts short-method filers do not report these statistics. Thus, figures are understated.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 12
Components of the Michigan Tax Base, 2003-2004*

Business Sector	Total Apportioned Compensation	% of Column Total	% of Row Total	Total Apportioned Business Income	% of Column Total	% of Row Total	Total Apportioned Additions	% of Column Total	% of Row Total	Total Apportioned Subtractions*	% of Column Total	% of Row Total	Apportioned Tax Base Total	% of Column Total
Ag., For., and Fishing	\$674,437,800	0.63	73.05	\$85,811,199	0.92	9.29	\$169,319,410	0.34	18.34	\$6,366,091	0.03	(0.69)	\$923,202,319	0.65
Mining	271,000,918	0.25	101.19	(114,698,865)	(1.23)	(42.83)	301,510,625	0.60	112.59	190,007,589	0.75	(70.95)	267,805,089	0.19
Construction	6,613,793,839	6.17	83.48	423,631,039	4.55	5.35	1,009,003,481	2.00	12.74	124,244,672	0.49	(1.57)	7,922,183,687	5.60
Other Durable Man.	7,373,911,125	6.88	84.43	328,507,501	3.53	3.76	2,444,272,222	4.85	27.99	1,412,714,763	5.56	(16.17)	8,733,976,085	6.18
Non-Durable Man.	6,644,679,466	6.20	70.95	755,096,898	8.10	8.06	3,220,618,446	6.39	34.39	1,254,527,502	4.94	(13.39)	9,365,867,308	6.62
Primary Metals	1,240,986,206	1.16	90.89	(313,676,297)	(3.37)	(22.97)	507,231,418	1.01	37.15	69,137,530	0.27	(5.06)	1,365,403,797	0.97
Fabricated Metals	2,841,120,124	2.65	79.77	43,577,123	0.47	1.22	757,926,104	1.50	21.28	80,765,192	0.32	(2.27)	3,561,858,159	2.52
Machinery-Exc. Elect.	2,888,680,651	2.70	87.93	(106,745,706)	(1.15)	(3.25)	828,977,762	1.64	25.23	325,674,579	1.28	(9.91)	3,285,238,128	2.32
Trans. Equipment	8,701,939,889	8.12	100.69	(1,646,799,315)	(17.67)	(19.06)	5,015,192,687	9.95	58.03	3,428,019,243	13.49	(39.67)	8,642,314,017	6.11
Transportation	2,405,637,844	2.25	73.65	107,569,929	1.15	3.29	832,117,314	1.65	25.47	78,827,469	0.31	(2.41)	3,266,497,618	2.31
Comm. and Utilities	2,836,651,569	2.65	47.27	(942,693,530)	(10.12)	(15.71)	4,552,800,484	9.03	75.86	445,461,227	1.75	(7.42)	6,001,297,295	4.24
Wholesale Trade	4,438,928,614	4.14	71.80	447,677,274	4.80	7.24	1,671,908,141	3.32	27.04	376,314,986	1.48	(6.09)	6,182,199,043	4.37
Retail Trade	15,590,625,562	14.56	75.99	1,287,392,050	13.82	6.28	5,256,821,759	10.43	25.62	1,619,061,487	6.37	(7.89)	20,515,777,884	14.51
Fin., Ins., and R. Est.	7,507,163,822	7.01	57.47	4,614,963,888	49.53	35.33	7,858,509,174	15.59	60.16	6,918,235,539	27.22	(52.96)	13,062,401,345	9.24
Services	33,415,150,002	31.20	81.08	4,173,225,081	44.79	10.13	10,070,472,362	19.97	24.44	6,447,296,226	25.37	(15.64)	41,211,551,219	29.14
Not Else Clss./Misc.	<u>3,665,574,438</u>	<u>3.42</u>	51.43	<u>174,916,239</u>	<u>1.88</u>	2.45	<u>5,924,196,225</u>	<u>11.75</u>	83.13	<u>2,637,993,707</u>	<u>10.38</u>	(37.02)	<u>7,126,693,195</u>	<u>5.04</u>
All Businesses	\$107,110,281,867	100.00	75.73	\$9,317,754,508	100.00	6.59	\$50,420,877,616	100.00	35.65	\$25,414,647,802	100.00	(17.97)	\$141,434,266,189	100.00

* Subtractions are deducted from the tax base.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 13
Capital Acquisition Deduction Recapture, 2003-2004

<u>Business Sector</u>	<u>Number with CAD Recapture</u>	<u>Percent of Firms</u>	<u>Recaptured CAD</u>	<u>Percent of Total</u>
Agriculture, Forestry, and Fishing	210	2.03 %	\$2,417,204	0.31 %
Mining	50	0.48	6,333,697	0.82
Construction	1,047	10.12	22,161,850	2.88
Manufacturers	1,924	18.60	278,211,745	36.17
Other Durable Manufacturers	632	6.11	39,197,327	5.10
Non-Durable Manufacturers	476	4.60	36,680,998	4.77
Primary Metals	89	0.86	98,415,062	12.80
Fabricated Metal	336	3.25	22,071,991	2.87
Machinery--Except Electrical	262	2.53	43,251,582	5.62
Transportation Equipment	129	1.25	38,594,785	5.02
Transportation	368	3.56	22,775,554	2.96
Communications and Utilities	168	1.62	39,845,348	5.18
Wholesale Trade	526	5.09	-233,613,833	-30.38
Retail Trade	2,205	21.32	139,087,359	18.08
Finance, Ins., and Real Estate	827	8.00	234,950,782	30.55
Services	2,727	26.37	198,778,567	25.85
Not Elsewhere Classified/Misc.	<u>291</u>	<u>2.81</u>	<u>58,129,481</u>	<u>7.56</u>
All Businesses	10,343	100.00 %	\$769,077,754	100.00 %

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 14
Business Loss Deduction, 2003-2004

<u>Business Sector</u>	<u>Number of Firms Claiming</u>	<u>Total Business Loss Deduction Claimed</u>	<u>Percent Reduction in MTB*</u>
Agriculture, Forestry, and Fishing	41	\$7,865,417	0.85 %
Mining	44	10,860,512	4.05
Construction	356	34,018,048	0.43
Manufacturing	341	329,291,372	0.94
Other Durable Manufacturers	149	143,276,423	1.64
Non-Durable Manufacturers	80	115,448,903	1.23
Primary Metals	9	5,786,991	0.42
Fabricated Metals	48	7,007,500	0.20
Machinery--Except Electrical	30	5,705,708	0.17
Transportation Equipment	25	52,065,847	0.60
Transportation	105	34,100,800	1.04
Communications and Utilities	110	198,487,934	3.31
Wholesale Trade	183	49,742,755	0.80
Retail Trade	828	143,896,935	0.70
Finance, Insurance, and Real Estate	2,494	1,152,566,603	8.79
Services	1,877	681,246,876	1.65
Not Elsewhere Classified/Misc.	<u>638</u>	<u>295,323,073</u>	4.04
All Businesses	7,017	\$2,937,400,325	2.07 %

* Percent reduction in the sector's total MTB after CAD adjustments.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 15
Statutory Exemption, 2003-2004

<u>Business Sector</u>	<u>Number of Firms Claiming</u>	<u>Total Statutory Exemptions Claimed</u>	<u>Effective Statutory Exemptions</u>	<u>Percent Reduction in MTB From Eff. Statutory Exemptions*</u>
Agriculture, Forestry, and Fishing	795	\$32,465,033	\$26,808,286	2.90 %
Mining	175	7,514,269	4,651,220	1.73
Construction	5,665	228,497,561	184,946,600	2.33
Manufacturing	3,670	153,655,385	131,324,731	0.38
Other Durable Manufacturers	1,479	61,441,721	50,893,160	0.58
Non-Durable Manufacturers	809	34,238,753	29,731,708	0.32
Primary Metals	145	6,281,416	5,624,924	0.41
Fabricated Metals	587	24,351,201	21,307,495	0.60
Machinery--Except Electrical	503	20,987,332	18,272,199	0.56
Transportation Equipment	147	6,354,962	5,495,245	0.06
Transportation	1,466	61,737,640	49,756,195	1.52
Communications and Utilities	397	16,818,586	11,457,446	0.19
Wholesale Trade	1,460	60,804,781	46,783,165	0.76
Retail Trade	14,707	596,654,276	499,857,995	2.44
Finance, Insurance, and Real Estate	4,812	201,463,089	105,216,627	0.80
Services	12,320	501,218,049	362,343,294	0.88
Not Elsewhere Classified/Misc.	<u>2,497</u>	<u>103,736,058</u>	<u>64,242,021</u>	0.88
All Businesses	47,964	\$1,964,564,727	\$1,487,387,580	1.05 %

* Percent reduction in the sector's total MTB after CAD adjustments.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 16
Excess Compensation and Gross Receipts Filing Methods, 2003-2004

<u>Business Sector</u>	<u>Excess Compensation Reduction *</u>			<u>Gross Receipts Reduction and Gross Receipts Short Method *</u>		
	<u>Number of Firms Claiming</u>	<u>Percentage of Firms in Sector Claiming</u>	<u>Reduction in SBT Liability</u>	<u>Number of Firms Claiming</u>	<u>Percentage of Firms in Sector Claiming</u>	<u>Reduction in SBT Liability</u>
Agriculture, Forestry, and Fishing	618	31.76 %	\$1,766,094	188	9.66 %	\$2,776,523
Mining	105	21.88	618,446	44	9.17	\$442,221
Construction	4,842	35.93	26,214,781	538	3.99	2,814,111
Manufacturing	7,668	57.42	83,799,347	821	6.15	10,219,357
Other Durable Manufacturers	3,033	56.78	23,620,928	301	5.63	2,315,397
Non-Durable Manufacturers	1,658	54.20	17,892,907	159	5.20	4,752,055
Primary Metals	308	60.75	4,595,003	21	4.14	318,017
Fabricated Metals	1,218	61.02	9,599,247	154	7.72	1,123,552
Machinery--Except Electrical	1,073	60.08	11,266,769	157	8.79	1,112,484
Transportation Equipment	378	56.93	16,824,494	29	4.37	597,851
Transportation	1,305	38.21	8,102,854	258	7.55	2,955,968
Communications and Utilities	356	26.25	2,979,334	168	12.39	10,497,138
Wholesale Trade	2,640	51.63	12,758,224	137	2.68	1,856,627
Retail Trade	12,299	41.31	51,400,575	669	2.25	3,677,279
Finance, Insurance, and Real Estate	1,547	9.40	18,753,015	4,203	25.53	30,814,835
Services	13,436	32.70	81,476,272	9,241	22.49	118,116,333
Not Elsewhere Classified/Misc.	<u>1,544</u>	18.66	<u>7,955,538</u>	<u>1,673</u>	20.22	<u>16,579,525</u>
All Businesses	46,360	34.41 %	\$295,824,479	17,940	13.31 %	\$200,749,916

* Includes firms using excess compensation/gross receipts method whether or not they also claim a small business credit.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 17
Alternate Tax Rate and Straight Percentage Methods, 2003-2004

Business Sector	Alternate Tax Rate Method			Straight Percentage Method		
	Number of Firms	Percentage of Firms in Sector	Final Tax Liability	Number of Firms	Percentage of Firms in Sector	Final Tax Liability
Agriculture, Forestry, and Fishing	645	33.14 %	\$780,054	495	25.44 %	\$1,136,157
Mining	53	11.04	58,182	278	57.92	3,426,965
Construction	3,785	28.08	5,146,169	4,312	31.99	13,488,952
Manufacturing	1,655	12.39	2,438,580	3,198	23.95	101,515,413
Other Durable Manufacturers	606	11.34	875,720	1,396	26.13	28,352,514
Non-Durable Manufacturers	360	11.77	493,806	881	28.80	45,192,706
Primary Metals	65	12.82	105,794	113	22.29	4,608,133
Fabricated Metals	293	14.68	460,362	330	16.53	6,999,546
Machinery--Except Electrical	280	15.68	428,223	274	15.34	5,287,238
Transportation Equipment	51	7.68	74,675	204	30.72	11,075,276
Transportation	572	16.75	642,908	1,277	37.39	4,659,112
Communications and Utilities	151	11.14	217,066	680	50.15	38,144,323
Wholesale Trade	509	9.96	755,484	1,826	35.71	32,886,006
Retail Trade	7,406	24.87	8,897,034	9,394	31.55	72,197,006
Finance, Insurance, and Real Estate	1,456	8.84	2,049,680	9,252	56.20	60,098,588
Services	6,353	15.46	8,460,566	12,040	29.30	65,017,858
Not Elsewhere Classified/Misc.	<u>786</u>	9.50	<u>974,644</u>	<u>4,270</u>	51.59	<u>43,514,915</u>
All Businesses	23,371	17.34 %	\$30,420,367	47,022	34.90 %	\$436,085,295

Note: Alternate tax method includes simplified filers as well as filers claiming an alternate credit who did not use the excess compensation or gross receipts reduction. Straight percentage method includes filers using the straight method and claiming a standard small business credit.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 18
Claimed Investment Tax Credit
2003-2004

<u>Business Sector</u>	Number Claiming <u>ITC</u>	Percent of Firms Claiming <u>ITC</u>	Claimed <u>ITC</u>	Percent of Claimed <u>ITC</u>
Agriculture, Forestry, and Fishing	1,059	2.18 %	\$930,012	0.62 %
Mining	196	0.40	\$1,015,328	0.67
Construction	6,147	12.67	\$4,388,994	2.91
Manufacturers	5,310	10.94	35,235,053	23.34
Other Durable Manufacturers	1,902	3.92	7,049,630	4.67
Non-Durable Manufacturers	1,179	2.43	8,040,261	5.33
Primary Metals	208	0.43	737,095	0.49
Fabricated Metal	907	1.87	2,694,383	1.79
Machinery--Except Electrical	827	1.70	2,030,245	1.35
Transportation Equipment	287	0.59	14,683,439	9.73
Transportation	1,320	2.72	2,449,254	1.62
Communications and Utilities	496	1.02	9,576,092	6.34
Wholesale Trade	1,741	3.59	4,390,194	2.91
Retail Trade	13,333	27.48	15,068,330	9.98
Finance, Ins., and Real Estate	3,918	8.07	31,004,123	20.54
Services	13,356	27.52	33,055,676	21.90
Not Elsewhere Classified/Misc.	<u>1,648</u>	<u>3.40</u>	<u>13,831,135</u>	<u>9.16</u>
All Businesses	48,524	100.00 %	\$150,944,191	100.00 %

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 19
Effective Investment Tax Credit
2003-2004

<u>Business Sector</u>	<u>Number Non-Zero Effective ITC</u>	<u>Percent of Firms Effective ITC</u>	<u>Effective ITC</u>	<u>Percent of Effective ITC</u>
Agriculture, Forestry, and Fishing	1,005	2.18 %	\$846,260	0.66 %
Mining	165	0.36	\$1,028,394	0.80
Construction	5,919	12.87	\$3,693,281	2.86
Manufacturers	5,142	11.18	34,465,605	26.72
Other Durable Manufacturers	1,804	3.92	6,716,768	5.21
Non-Durable Manufacturers	1,161	2.52	8,725,765	6.76
Primary Metals	204	0.44	777,552	0.60
Fabricated Metal	885	1.92	2,211,785	1.71
Machinery--Except Electrical	815	1.77	2,184,662	1.69
Transportation Equipment	273	0.59	13,849,073	10.74
Transportation	1,249	2.71	2,300,241	1.78
Communications and Utilities	447	0.97	7,937,013	6.15
Wholesale Trade	1,650	3.59	3,831,408	2.97
Retail Trade	12,764	27.75	13,421,320	10.40
Finance, Ins., and Real Estate	3,612	7.85	26,317,341	20.40
Services	12,464	27.09	22,740,278	17.63
Not Elsewhere Classified/Misc.	<u>1,587</u>	<u>3.45</u>	<u>12,425,706</u>	<u>9.63</u>
All Businesses	46,004	100.00 %	\$129,006,847	100.00 %

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 20
SBT Small Business Credit:
Illustrative Examples

<u>No.</u>	<u>Michigan Tax Base</u>	<u>Base After Reductions</u>	<u>Adjusted Business Income</u>	<u>Tax Before Credit</u>	<u>Standard Small Business Credit</u>	<u>Alternate Credit</u>	<u>Tax After Credit</u>	<u>Tax as a % of Adjusted Business Income</u>
1	\$100,000	\$30,000	\$50,000	\$570	\$0	\$0	\$570	1.14 %
2	100,000	50,000	50,000	950	0	0	950	1.90
3	100,000	40,000	30,000	760	253	160	507	1.69
4	1,000,000	700,000	50,000	13,300	11,822	12,300	1,000	2.00
5	1,000,000	300,000	200,000	5,700	3,167	1,700	2,533	1.27
6	1,000,000	500,000	450,000	9,500	0	500	9,000	2.00
7	2,000,000	700,000	50,000	13,300	12,561	12,300	739	1.48
8	2,000,000	1,000,000	400,000	19,000	10,556	11,000	8,000	2.00
9	3,000,000	700,000	100,000	13,300	12,315	11,300	985	0.99
10	3,000,000	1,500,000	200,000	28,500	24,278	24,500	4,000	2.00

Note: Taxpayers who qualify for the small business credit may instead opt to file using the alternate tax rate method. The alternate tax rate is equal to 2 percent of adjusted business income.

All the above examples assume that taxpayer's gross receipts are below \$9 million and that the firm does not receive an investment tax credit (ITC).

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 21
Other Major Tax Credits, 2003-2004

<u>Business Sector</u>	<u>Small Business Credit/ Alternate Tax Rate</u>		<u>Unincorporated/ S Corp. Credit</u>		<u>Public Contributions/ Public Utility Credits</u>	
	<u>Number of Firms</u>	<u>Amount</u>	<u>Number of Firms</u>	<u>Amount</u>	<u>Number of Firms</u>	<u>Amount</u>
Agriculture, Forestry, and Fishing	1,037	\$3,131,809	959	\$689,473	22	\$6,875
Mining	137	686,672	129	215,414	n.a.	n.a.
Construction	6,241	20,610,096	6,074	6,550,996	143	161,711
Manufacturing	3,317	15,277,035	4,347	13,234,269	234	383,223
Other Durable Manufacturers	1,202	5,271,595	1,744	3,506,079	94	165,650
Non-Durable Manufacturers	700	2,869,489	994	3,824,170	76	132,872
Primary Metals	124	832,605	159	661,225	n.a.	n.a.
Fabricated Metals	620	2,972,586	714	2,286,384	40	49,690
Machinery--Except Electrical	579	2,863,516	563	1,829,332	24	35,011
Transportation Equipment	92	467,245	173	1,127,079	n.a.	n.a.
Transportation	1,149	4,878,354	1,142	1,433,868	23	24,095
Communications and Utilities	277	1,126,889	390	2,254,674	50	5,300,050
Wholesale Trade	965	2,697,562	1,725	3,403,481	81	99,363
Retail Trade	13,687	31,210,698	12,511	11,937,514	257	223,979
Finance, Insurance, and Real Estate	2,854	11,028,349	6,379	6,620,315	175	218,619
Services	11,265	61,521,712	16,176	25,585,753	362	367,074
Not Elsewhere Classified/Misc.	<u>1,439</u>	<u>4,681,706</u>	<u>3,563</u>	<u>4,839,520</u>	<u>25</u>	<u>71,813</u>
All Businesses	42,368	\$156,850,883	53,395	\$76,765,277	1,400	\$6,916,446

Note: There were 5,619 simplified filers who used the alternate method. Since they do not report their tax base, but only their calculated liability before credits, their alternate credit was estimated using the average reduction on the calculated liability before credits observed in the non-simplified filers who used the alternate method.

Per Rule 205.1003, "n.a." was used to protect the confidentiality of firms in this business classification. These firms were included in the column total.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 22
Single Business Tax by Type of Firm, 2003-2004

<u>Business Sector</u>	<u>Individuals</u>		<u>S Corporations</u>		<u>Corporations</u>		<u>Other*</u>	
	<u>Number of Firms</u>	<u>Liability</u>	<u>Number of Firms</u>	<u>Liability</u>	<u>Number of Firms</u>	<u>Liability</u>	<u>Number of Firms</u>	<u>Liability</u>
Ag., For., and Fishing	259	\$628,688	848	\$3,354,224	538	\$3,887,894	301	\$1,712,184
Mining	31	29,299	149	471,211	191	3,956,987	109	1,211,757
Construction	1,461	2,141,263	5,726	38,945,517	4,897	37,776,404	1,394	6,353,545
Other Durable Man.	100	201,512	1,707	19,993,674	3,107	97,415,730	428	5,103,769
Non-Durable Man.	58	126,360	970	17,076,530	1,817	106,596,346	214	13,273,910
Primary Metals	n.a.	n.a.	150	2,722,844	317	16,190,852	33	1,725,251
Fabricated Metals	24	38,633	760	14,925,013	1,131	30,142,956	81	1,310,653
Machinery--Exc. Electrical	25	44,173	596	8,217,939	1,086	31,330,801	79	3,561,577
Transportation Equipment	n.a.	n.a.	168	4,717,186	433	96,396,072	56	2,255,870
Transportation	221	224,705	1,262	6,789,352	1,572	30,529,757	360	3,120,891
Communications and Utilities	26	71,481	364	2,585,180	752	65,626,597	214	15,707,071
Wholesale Trade	150	240,510	1,735	20,268,171	2,882	62,124,959	346	5,835,804
Retail Trade	2,457	2,779,520	13,883	71,810,990	10,867	178,464,667	2,567	14,315,593
Finance, Ins., and Real Estate	1,533	4,620,584	3,037	19,825,559	3,040	99,209,268	8,852	28,817,824
Services	3,713	13,841,774	13,014	93,824,599	12,954	232,207,005	11,410	133,940,453
Not Elsewhere Class./Misc.	811	1,984,126	2,173	16,696,241	2,408	55,945,090	2,884	18,429,314
All Businesses	10,883	\$27,017,985	46,542	\$342,224,230	47,992	\$1,147,801,385	29,328	\$256,675,466

* Includes fiduciary companies, professional corporations, partnerships and limited liability companies.
Per Rule 205.1003, "n.a." was used to protect the confidentiality of firms in this business classification.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

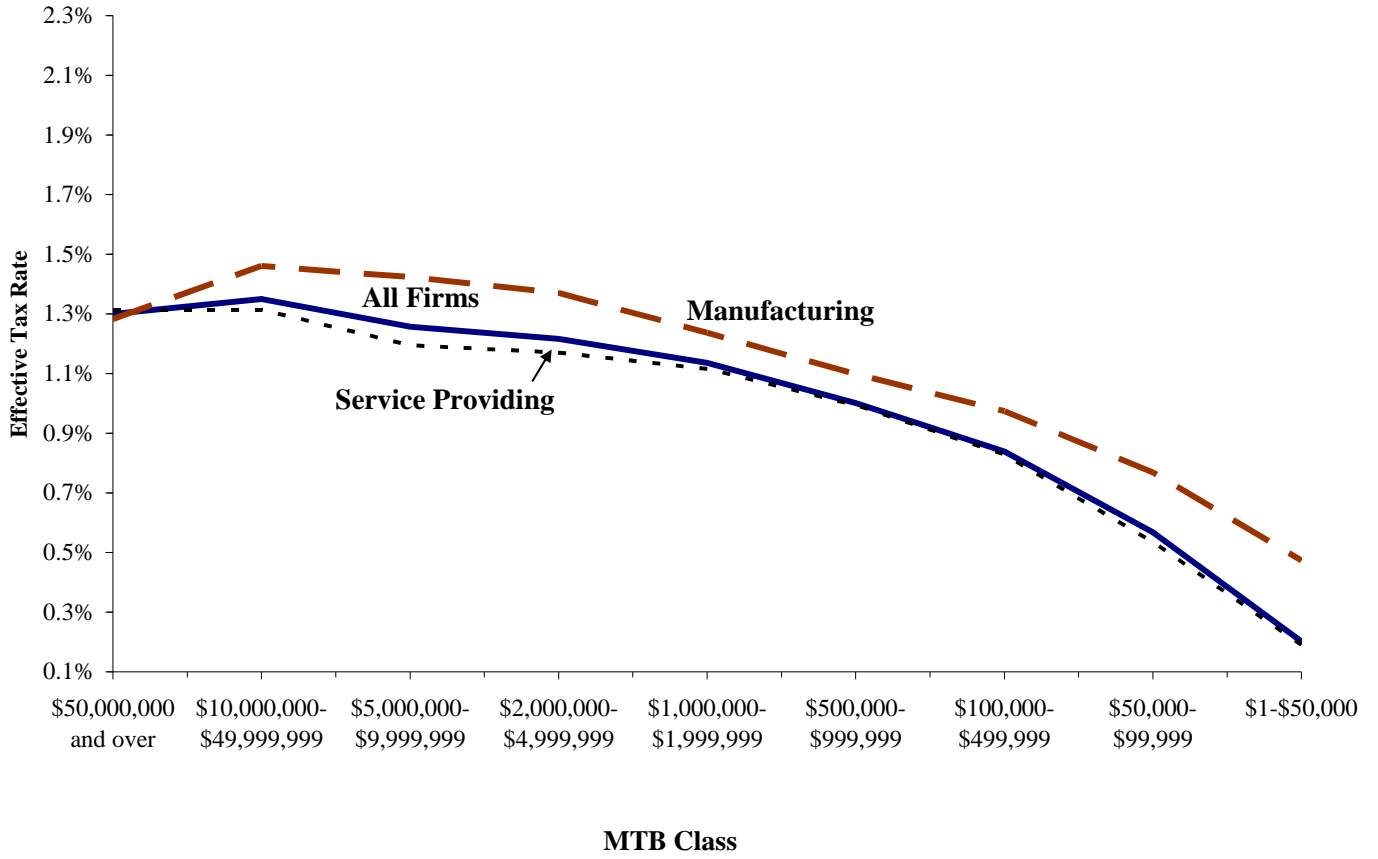
Exhibit 23
Ratio of Tax Liability to Michigan Tax Base, 2003-2004

<u>Business Sector</u>	<u>All</u> <u>Businesses</u>	<u>\$100,000,000</u> <u>or more</u>	<u>\$50,000,000-</u> <u>\$99,999,999</u>	<u>\$10,000,000-</u> <u>\$49,999,999</u>	<u>\$5,000,000-</u> <u>\$9,999,999</u>	<u>\$2,000,000-</u> <u>\$4,999,999</u>	<u>\$1,000,000-</u> <u>\$1,999,999</u>	<u>\$500,000-</u> <u>\$999,999</u>	<u>\$100,000-</u> <u>\$499,999</u>	<u>\$50,000-</u> <u>\$99,999</u>	<u>\$1-</u> <u>\$49,999</u>
Agriculture, For., and Fishing	1.01%	n.a.	n.a.	n.a.	n.a.	1.31%	1.06%	0.93%	0.71%	0.28%	0.09%
Mining	1.21%	n.a.	n.a.	n.a.	n.a.	1.23%	1.02%	0.84%	0.59%	0.45%	0.19%
Construction	1.05%	n.a.	n.a.	1.21%	1.29%	1.16%	1.08%	0.91%	0.78%	0.58%	0.11%
Other Durable Manufacturers	1.37%	n.a.	1.42%	1.49%	1.42%	1.38%	1.26%	1.14%	1.04%	0.82%	0.68%
Non-Durable Manufacturers	1.44%	1.43%	1.45%	1.54%	1.49%	1.44%	1.30%	1.16%	1.01%	0.84%	0.19%
Primary Metals	1.36%	n.a.	n.a.	1.42%	1.42%	1.28%	1.09%	0.92%	0.98%	0.72%	0.71%
Fabricated Metals	1.30%	n.a.	n.a.	1.38%	1.39%	1.30%	1.22%	1.02%	0.87%	0.58%	0.24%
Machinery--Exc. Electrical	1.31%	n.a.	n.a.	1.37%	1.38%	1.32%	1.14%	1.05%	0.84%	0.59%	0.36%
Transportation Equipment	1.19%	n.a.	1.28%	1.32%	1.37%	1.35%	1.30%	1.01%	1.05%	0.84%	0.21%
Transportation	1.23%	n.a.	n.a.	1.37%	1.31%	1.28%	1.12%	0.95%	0.75%	0.63%	0.25%
Communications and Utilities	1.34%	n.a.	n.a.	1.21%	1.31%	1.22%	1.07%	1.10%	0.88%	0.59%	0.25%
Wholesale Trade	1.40%	n.a.	n.a.	1.55%	1.49%	1.49%	1.42%	1.30%	1.15%	0.89%	0.44%
Retail Trade	1.28%	1.51%	1.51%	1.53%	1.44%	1.35%	1.22%	0.99%	0.74%	0.48%	0.12%
Finance, Ins.,and Real Estate	1.07%	1.23%	1.13%	1.16%	1.26%	1.05%	0.96%	0.82%	0.75%	0.49%	0.24%
Services	1.09%	1.19%	1.22%	1.23%	1.01%	1.05%	1.07%	1.01%	0.88%	0.57%	0.21%
Not Elsewhere Classified/Misc.	1.20%	n.a.	n.a.	1.23%	1.29%	1.26%	1.15%	1.05%	0.93%	0.81%	0.30%
All Businesses	1.20%	1.29%	1.32%	1.35%	1.26%	1.22%	1.14%	1.00%	0.84%	0.57%	0.20%

Notes: Does not include gross receipts short method filers or simplified return filers.

To maintain taxpayer confidentiality, "n.a." was used. These firms were included in column and row averages.

**Exhibit 24
Effective Rates, 2003-2004**



Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 25
Tax Adjustments as a Percent of Michigan Tax Base, 2003-2004

<u>Michigan Tax Base Class</u>	<u>Net Capital Acquisition Deduction*</u>	<u>Business Loss Deduction</u>	<u>Statutory Exemption*</u>	<u>Gross Receipts Reduction</u>	<u>Excess Compensation Reduction</u>	<u>Investment Tax Credit**</u>	<u>Small Business Credit**</u>	<u>Other Credits***</u>
\$100,000,000 - and over	-0.39 %	n.a.	0.00 %	7.13 %	6.20 %	7.53 %	0.00 %	5.25 %
\$50,000,000 - \$99,999,999	-0.65	n.a.	0.01	6.27	10.98	6.62	0.00	3.03
\$10,000,000 - \$49,999,999	-0.38	1.39	0.02	7.99	11.17	3.87	0.00	4.62
\$5,000,000 - \$9,999,999	-0.31	1.68	0.11	6.67	11.86	2.33	4.12	4.55
\$2,000,000 - \$4,999,999	-0.36	1.84	0.22	6.79	13.08	2.82	5.58	4.05
\$1,000,000 - \$1,999,999	-0.37	2.53	0.45	6.82	13.53	3.04	8.62	4.03
\$500,000 - \$999,999	-0.43	2.54	1.01	7.72	12.03	4.32	14.24	3.67
\$100,000 - \$499,999	-0.68	3.53	5.44	8.22	9.07	6.86	18.08	3.69
\$50,000 - \$99,999	-2.79	7.44	35.36	1.12	6.74	7.94	9.67	3.21
\$1 - \$49,999	-6.57	12.26	70.80	n.a.	2.77	1.41	6.59	1.77
Total	-0.58 %	2.07 %	1.05 %	7.45 %	10.98 %	4.79 %	5.82 %	4.48 %

* Effective deductions and exemptions only.

** Claimed credits were divided by the tax rate (.019) to allow for a comparison to other deductions, exemptions and reductions.

*** Other credits include unincorporated, public utility, community foundation, college, homeless, and other credits.

Per Rule 205.1003, "n.a." was used to protect the confidentiality of firms in this MTB category.

These firms were included in column average.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 26
SBT Liability Statistics, 2003-2004

Business Sector	All Businesses		Michigan-Only Businesses	
	Liability as a % of Apportioned Compensation*	Liability as a % of Apportioned Gross Receipts**	Liability as a % of Compensation*	Liability as a % of Gross Receipts**
Agriculture, Forestry, and Fishing	1.33 %	0.34 %	1.16 %	0.30 %
Mining	2.01	0.27	1.20	0.29
Construction	1.24	0.28	1.21	0.27
Manufacturing	1.58	0.30	1.33	0.35
Other Durable Manufacturers	1.65	0.36	1.32	0.33
Non-Durable Manufacturers	2.05	0.33	1.38	0.33
Primary Metals	1.66	0.31	1.31	0.27
Fabricated Metals	1.63	0.41	1.37	0.43
Machinery, Except Electrical	1.49	0.37	1.26	0.44
Transportation Equipment	1.19	0.20	1.37	0.21
Transportation	1.60	0.40	1.30	0.26
Communications and Utilities	2.68	0.48	2.59	0.52
Wholesale Trade	1.96	0.17	1.45	0.16
Retail Trade	1.65	0.18	1.32	0.15
Finance, Ins., and Real Estate	1.69	0.07	1.64	0.21
Services	1.34	0.34	1.21	0.42
Not Elsewhere Classified/Misc.	2.00	0.18	1.44	0.20
All Businesses	1.56 %	0.21 %	1.32 %	0.26 %

* Only firms that reported compensation or apportioned compensation greater than zero.

** Only firms that reported gross receipts or apportioned gross receipts greater than zero.

Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

Exhibit 27
Comparing SBT With a Corporate Income Tax
(Corporations Only *)

<u>Year **</u>	<u>Total Liability at 1.9% Rate</u>	<u>Total Taxable Income ***</u>	<u>CIT Rate</u>
1977	\$647,577,792	\$12,168,649,001	5.32 %
1978	700,856,150	11,977,996,752	5.85
1979	730,562,728	12,880,516,215	5.67
1980	661,271,388	11,989,232,307	5.52
1981	731,729,229	12,648,764,583	5.78
1982	719,181,057	11,109,790,807	6.47
1983	845,932,967	12,814,803,591	6.60
1984	1,004,004,863	18,848,672,953	5.33
1985	1,066,578,413	18,817,638,411	5.67
1986	n.a.	n.a.	n.a.
1987	1,117,922,999	19,438,638,420	5.75
1988	1,171,743,826	19,408,109,349	6.04
1989	1,130,192,778	15,722,391,974	7.19
1990	1,079,489,135	13,576,515,600	7.95
1991	1,045,750,823	10,315,374,744	10.14
1992	1,325,205,302	10,446,537,766	12.69
1993	1,228,941,591	11,696,248,261	10.51
1994	1,401,418,102	17,162,481,983	8.17
1995	1,339,599,197	16,790,720,391	7.98
1996	1,342,092,834	17,251,073,219	7.78
1997	1,472,360,306	17,963,112,428	8.20
1998	1,505,380,573	19,188,102,281	7.85
1999	1,391,886,296	17,908,093,758	7.77
2000	1,365,382,193	17,939,140,819	7.61
2001	1,211,112,897	15,992,712,879	7.57
2002	1,270,323,563	17,681,402,874	7.18
2003	1,209,668,851	18,268,384,082	6.62
Average	\$1,104,467,917	\$15,384,811,748	7.18 %

* Gross receipts filers that provided business income, compensation, total additions, and total subtractions equal to zero were assumed to not have reported their taxable income; therefore, they were excluded from the analysis.

** Data from 1977 to 1994 refer to calendar years.
Data from 1995 to present refer to tax years.

*** Taxable Income was calculated as Business Income times Apportionment factor, setting negative income to \$0. Also, only Professional Corporations and Other Corporations were used to calculate the Taxable Income. **Does not include corporations with negative business income.**

Exhibit 28
States With a Corporate Income Tax:
TY 2008 Highest Marginal Rate for Each State*

<u>State</u>	<u>Rate</u>	<u>State</u>	<u>Rate</u>
Alabama	6.5 %	Mississippi	5.0 %
Alaska	9.4	Missouri	6.25
Arizona	6.968	Montana	6.75 ⁽⁶⁾
Arkansas	6.5	Nebraska	7.81
California	8.84	New Hampshire	8.5 ⁽⁷⁾
Colorado	4.63	New Jersey	9.0
Connecticut	7.5	New Mexico	7.6
Delaware	8.7	New York	7.1
Florida	5.5	North Carolina	6.9
Georgia	6.0	North Dakota	6.5
Hawaii	6.4	Ohio	8.5
Idaho	7.6	Oklahoma	6.0
Illinois	7.3 ⁽¹⁾	Oregon	6.6
Indiana	8.5	Pennsylvania	9.99
Iowa	12.0	Rhode Island	9.0
Kansas	4.0 ⁽²⁾	South Carolina	5.0
Kentucky	6.0	Tennessee	6.5
Louisiana	8.0	Utah	5.0
Maine	8.93	Vermont	8.5
Maryland	8.25	Virginia	6.0
Massachusetts	9.50 ⁽³⁾	West Virginia	8.75
Michigan	4.95 ⁽⁴⁾	Wisconsin	7.9
Minnesota	9.8 ⁽⁵⁾		

* As of January 1, 2008

- ⁽¹⁾ Includes a 2.5 percent personal property replacement tax.
- ⁽²⁾ Plus a surtax of 3.35 percent taxable income in excess of \$50,000.
- ⁽³⁾ Includes a 14 percent surtax, as does the following: an additional tax of \$2.60 per \$1,000 on taxable tangible property (or net worth allocable to MA, for intangible property corporations).
- ⁽⁴⁾ The New Michigan Business Tax. Plus, 0.8 percent of modified gross receipts (receipts less certain purchases from other firms) on receipts of \$350,000 or more. A surcharge of 21.99 percent applies.
- ⁽⁵⁾ Plus a 5.8 percent tax on any Alternative Minimum Taxable Income over the base tax.
- ⁽⁶⁾ A 7 percent tax on taxpayers using water's edge combination.
- ⁽⁷⁾ Plus a 0.75 percent tax on the enterprise base (total compensation, interest, and dividends paid).

Source: Federation of Tax Administrators and RIA Checkpoint.

Exhibit 29
COST Study on
State and Local Business Taxes (billions)
FY 2007

<u>State</u>	<u>State and Local Business Taxes</u>	<u>Total State and Local Taxes</u>	<u>Percent of Total Taxes</u>	<u>Rank</u>	<u>Effective Tax Rate (Percent of Private Sector GSP)</u>	<u>Rank</u>
Alabama	6.2	13.8	45.2%	26	4.6%	33
Alaska	3.9	4.8	80.8%	1	11.6%	1
Arizona	10.4	21.3	48.7%	17	5.1%	20
Arkansas	3.7	9.5	38.7%	43	4.6%	33
California	72.9	175.9	41.4%	34	4.7%	32
Colorado	8.6	19.2	44.6%	28	4.2%	42
Connecticut	7.4	21.8	34.0%	49	4.0%	45
Delaware	1.9	3.8	51.6%	11	3.5%	50
Florida	30.8	66.7	46.2%	24	4.9%	28
Georgia	13.9	33.4	41.6%	33	4.2%	42
Hawaii	2.4	6.5	37.6%	44	5.4%	17
Idaho	2.0	5.1	39.7%	40	4.6%	33
Illinois	27.3	58.2	46.8%	21	5.1%	20
Indiana	8.9	22.2	40.2%	38	4.0%	45
Iowa	5.3	11.5	45.8%	25	4.8%	31
Kansas	5.8	11.9	48.5%	18	6.1%	12
Kentucky	6.2	13.9	44.9%	27	5.0%	24
Louisiana	11.2	18.5	60.8%	5	6.5%	7
Maine	3.1	6.3	48.5%	18	7.6%	3
Maryland	9.0	27.9	32.2%	50	4.2%	42
Massachusetts	13.8	35.4	39.2%	41	4.5%	38
Michigan	17.3	39.6	43.7%	29	5.1%	20
Minnesota	10.0	24.8	40.4%	37	4.6%	33
Mississippi	4.4	9.0	48.8%	16	6.3%	10
Missouri	8.6	20.8	41.3%	35	4.3%	40
Montana	1.8	3.4	51.8%	10	6.5%	7
Nebraska	3.5	7.6	46.8%	21	5.4%	17
Nevada	5.2	10.7	49.1%	15	4.9%	28
New Hampshire	2.8	5.0	55.2%	7	5.4%	17
New Jersey	20.2	54.5	37.0%	45	4.9%	28
New Mexico	4.0	7.3	54.4%	8	6.3%	10
New York	58.6	138.3	42.4%	31	6.4%	9
North Carolina	12.6	34.2	36.9%	46	3.9%	48
North Dakota	1.7	2.7	60.9%	4	7.4%	4
Ohio	18.7	45.5	41.1%	36	4.5%	38
Oklahoma	6.6	13.3	49.8%	14	5.8%	14
Oregon	5.0	14.0	35.9%	48	3.8%	49
Pennsylvania	23.4	55.8	42.0%	32	5.1%	20
Rhode Island	2.4	5.2	46.4%	23	6.1%	12
South Carolina	6.2	14.4	43.4%	30	5.0%	24
South Dakota	1.6	2.5	61.9%	3	5.5%	16
Tennessee	9.8	19.1	51.2%	12	4.6%	33
Texas	48.0	79.5	60.3%	6	5.0%	24
Utah	3.6	9.3	39.1%	42	4.3%	40
Vermont	1.4	3.0	47.2%	20	6.8%	6
Virginia	12.3	33.7	36.6%	47	4.0%	45
Washington	14.9	29.1	51.0%	13	5.8%	14
West Virginia	3.3	6.3	53.1%	9	7.2%	5
Wisconsin	10.1	25.2	40.1%	39	5.0%	24
Wyoming	2.4	3.3	73.5%	2	9.3%	2
United States	\$577.4	\$1,309.4	44.1%		5.0%	

Source: Ernst and Young.