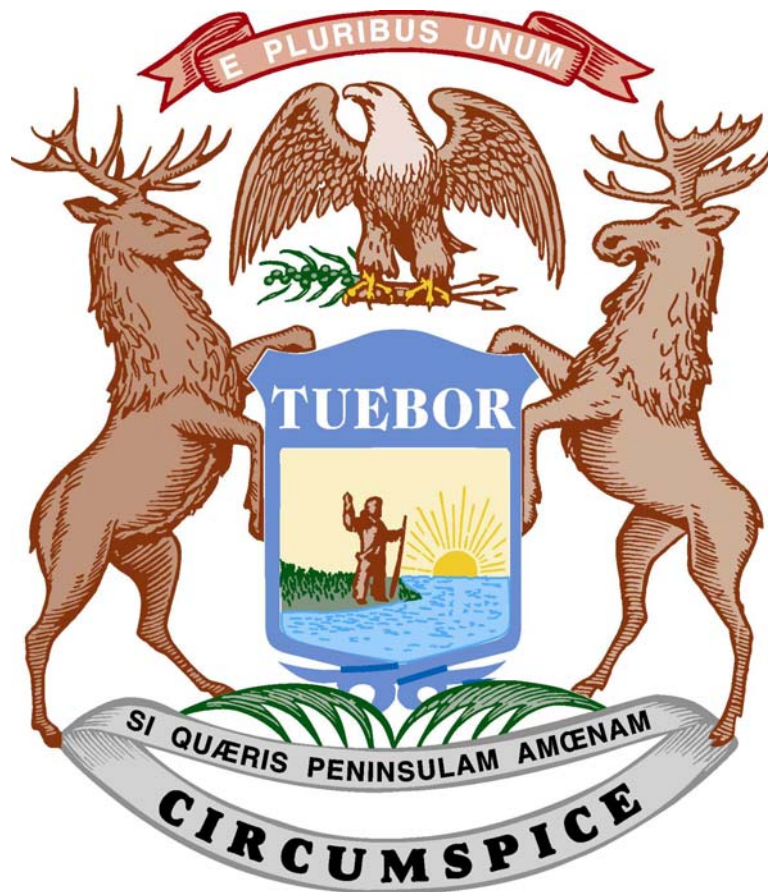


The Michigan Single Business Tax Statistical Tables 2002-2003



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

**THE MICHIGAN SINGLE BUSINESS TAX
STATISTICAL TABLES
2002-2003**

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

Acknowledgments

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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- The Single Business Tax (SBT) was repealed effective December 31, 2007 and replaced by the Michigan Business Tax.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 2002 through November 2003 was \$1,845 million, a 1.1% decline from the prior year.
- Larger firms paid the majority of the SBT. Firms with a 2002-2003 SBT liability greater than \$10,000 accounted for only 15.4 percent of firms with an SBT liability, but 88.2 percent of total SBT revenues. Conversely, firms with an SBT liability less than \$1,000 comprised 45.5 percent of all filers but only 0.7 percent of total revenues.
- Among major industrial classifications, manufacturing firms accounted for the largest share of 2002-2003 SBT revenue (26.8 percent), followed closely by the services sector (25.5 percent).
- The business loss deduction (claimed capital acquisition deductions (CADs) not used in prior years and carried forward), reduced Michigan tax base by 3.1 percent. Recapture of previously claimed CADs increased Michigan tax base by 1.2 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 2002-2003 SBT tax liability by \$299.2 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 \$179.7 million.

- The investment tax credit (ITC) was the SBT's largest tax credit. In 2002-2003, firms claimed \$174.0 million. Effective investment tax credits totaled \$160.2 million. Effective ITC reduced SBT tax base by 5.9 percent.
- The small business/alternate tax credit was the SBT's second largest tax credit and is only slightly smaller than the ITC. In 2002-2003, firms claiming the credit reduced their SBT liability by \$152.3 million.
- The Unincorporated/S Corporation credit reduced 2002-2003 SBT liability by \$77.2 million.
- Corporations paid 65.3 percent of the 2002-2003 SBT liability. S Corporations paid 18.9 percent.
- In 2002-2003, 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 2002-2003, 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 2002 would have been 7.21 percent.
- In fiscal year 2006, Michigan's *total* state/local business tax burden was tied for 16th lowest as a percent of private sector gross state product and ranked 16th lowest as a percent of personal income. Because business taxes other than corporate taxes comprise a larger share of most other states' business taxes, Michigan's total state/local business tax ranking is more favorable than Michigan's corporate tax ranking.

Data

Data for this report were compiled from tax returns filed for tax years ending in December 2002 through November 2003. 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 147,172 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*

<u>Fiscal Year</u>	<u>SBT Revenue (Millions)</u>	<u>Percent Change From Prior Year</u>	<u>Percent of Total State Taxes **</u>	<u>Percent of State Personal Income ***</u>
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.

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, 2002-2003

<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	2,324	1.6 %	\$9,938,669	0.5 %
Mining	495	0.3	5,347,330	0.3
Construction	15,353	10.4	98,558,264	5.3
Manufacturing	14,266	9.7	494,429,369	26.8
Other Durable Manufacturers	5,667	3.9	124,481,644	6.7
Non-Durable Manufacturers	3,327	2.3	141,134,952	7.7
Primary Metals	523	0.4	25,493,467	1.4
Fabricated Metals	2,105	1.4	46,545,860	2.5
Machinery--Except Electrical	1,956	1.3	41,149,341	2.2
Transportation Equipment	688	0.5	115,624,105	6.3
Transportation	3,753	2.6	38,753,036	2.1
Communications and Utilities	1,413	1.0	85,505,632	4.6
Wholesale Trade	5,349	3.6	91,244,617	4.9
Retail Trade	33,327	22.6	271,943,162	14.7
Finance, Insurance, and Real Estate	16,724	11.4	184,769,849	10.0
Services	44,541	30.3	470,289,099	25.5
Not Elsewhere Classified/Misc.	<u>9,627</u>	<u>6.5</u>	<u>94,051,961</u>	<u>5.1</u>
All Businesses	147,172	100.0 %	\$1,844,830,988	100.0 %

Note: Liability figures represent tax years ending December 2002 or January through November 2003.

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

Exhibit 4
2002-2003 Tax Liability Breakdown

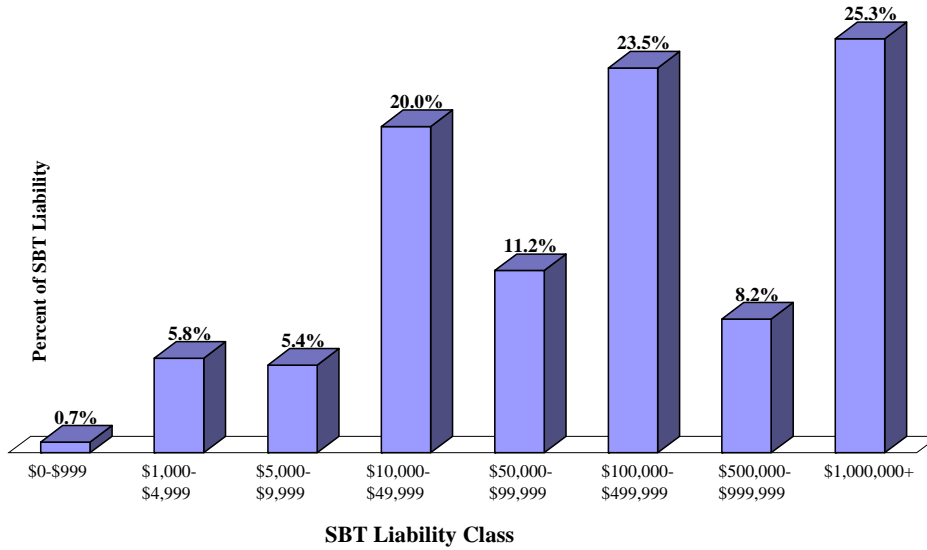
<u>Liability Class</u>	<u>Number of Firms</u>	<u>Percent of Firms</u>	<u>Cumulative Percent</u>	<u>Tax Liability</u>	<u>Percent of Liability</u>	<u>Cumulative Percent</u>
\$1,000,000 - and over	144	0.10 %	0.10 %	\$467,333,109	25.33 %	25.33 %
\$500,000 - \$999,999	222	0.15	0.25	151,161,749	8.19	33.53
\$100,000 - \$499,999	2,236	1.52	1.77	434,407,406	23.55	57.07
\$50,000 - \$99,999	2,945	2.00	3.77	205,712,521	11.15	68.22
\$10,000 - \$49,999	17,098	11.62	15.39	368,363,711	19.97	88.19
\$5,000 - \$9,999	13,966	9.49	24.88	98,879,323	5.36	93.55
\$1,000 - \$4,999	43,580	29.61	54.49	106,848,912	5.79	99.34
\$500 - \$999	11,586	7.87	62.36	8,648,596	0.47	99.81
\$100 - \$499	11,309	7.68	70.04	3,295,626	0.18	99.99
\$50 - \$99	1,776	1.21	71.25	130,710	0.01	100.00
\$1 - \$49	2,118	1.44	72.69	49,325	0.00	100.00
\$0	40,192	27.31	100.00	No Liability	0.00	100.00
Total	147,172	100.00 %		\$1,844,830,988	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	97	0.07 %	0.07 %	\$402,031,178	21.79 %	21.79 %
\$50,000,000 - \$99,999,999	132	0.09	0.16	122,269,351	6.63	28.42
\$10,000,000 - \$49,999,999	1,548	1.05	1.21	407,661,565	22.10	50.52
\$5,000,000 - \$9,999,999	2,415	1.64	2.85	212,319,298	11.51	62.03
\$2,000,000 - \$4,999,999	6,668	4.53	7.38	256,687,092	13.91	75.94
\$1,000,000 - \$1,999,999	10,032	6.82	14.20	159,171,139	8.63	84.57
\$500,000 - \$999,999	17,464	11.87	26.06	122,922,328	6.66	91.23
\$100,000 - \$499,999	61,770	41.97	68.03	130,586,139	7.08	98.31
\$50,000 - \$99,999	13,925	9.46	77.50	6,027,064	0.33	98.64
\$1 - \$49,999	12,811	8.70	86.20	714,080	0.04	98.68
\$0 or less	20,310 *	13.80	100.00	24,441,754	1.32	100.00
Total	147,172	100.00 %		\$1,844,830,988	100.00 %	

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

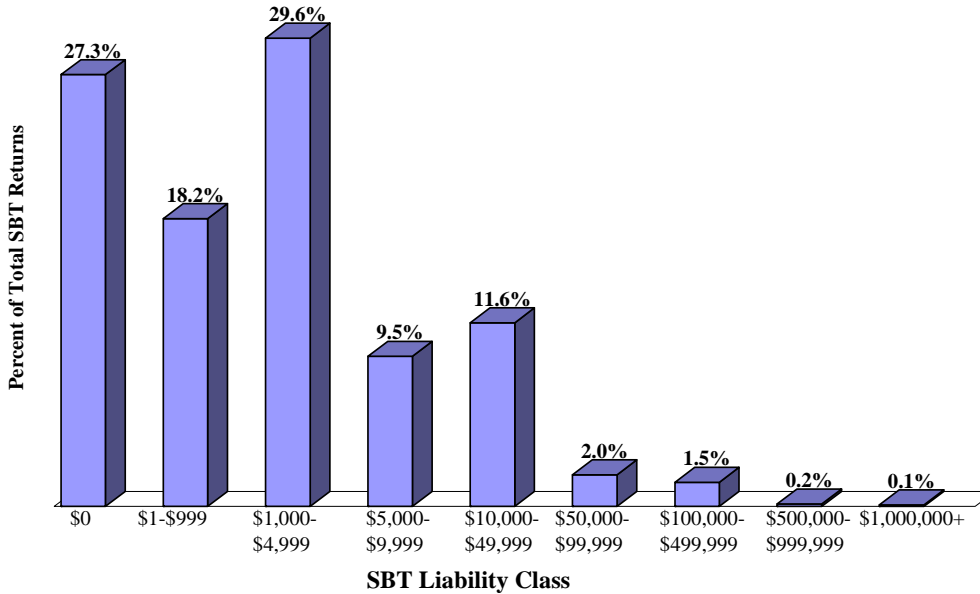
Source: Office of Revenue and Tax Analysis, Michigan Department of Treasury.

**Exhibit 5
Distribution of SBT Liability
2002-2003**



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
2002-2003**



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

Pure VAT (Consumption Type)	<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>
	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
	<i>times</i>
Computation of the Michigan Tax Base	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, 2002-2003*

<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	2,324	\$4,600,828,668	\$940,068,604	20.43 %
Mining	495	13,147,961,600	337,147,516	2.56
Construction	15,353	28,113,418,121	8,874,962,004	31.57
Manufacturing	14,266	574,012,061,364	36,505,275,383	6.36
Other Durable Manufacturers	5,667	185,785,358,803	8,783,905,509	4.73
Non-Durable Manufacturers	3,327	206,918,453,805	9,548,474,129	4.61
Primary Metals	523	13,942,918,255	1,933,140,224	13.86
Fabricated Metals	2,105	24,618,689,714	3,624,501,992	14.72
Machinery--Except Electrical	1,956	41,010,117,035	3,202,404,147	7.81
Transportation Equipment	688	101,736,523,752	9,412,849,381	9.25
Transportation	3,753	94,766,242,956	3,128,120,800	3.30
Communications and Utilities	1,413	52,983,551,054	5,587,584,853	10.55
Wholesale Trade	5,349	112,180,530,224	6,202,065,024	5.53
Retail Trade	33,327	247,232,768,613	20,946,333,126	8.47
Finance, Ins., and Real Estate	16,724	123,071,168,574	13,010,132,432	10.57
Services	44,541	390,225,092,085	41,074,696,720	10.53
Not Elsewhere Classified/Misc.	<u>9,627</u>	<u>112,231,243,552</u>	<u>5,676,951,068</u>	5.06
All Businesses	147,172	\$1,752,564,866,811	\$142,283,337,530	8.12 %

* 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, 2002-2003*

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	\$681,424,518	0.63	72.49	\$93,563,060	1.18	9.95	\$172,843,099	0.32	18.39	\$7,762,072	0.03	(0.83)	\$940,068,604	0.66
Mining	267,469,466	0.25	79.33	(161,118,220)	(2.04)	(47.79)	294,666,840	0.55	87.40	63,870,571	0.24	(18.94)	337,147,516	0.24
Construction	7,418,013,121	6.90	83.58	467,776,068	5.91	5.27	1,139,227,038	2.14	12.84	150,054,223	0.57	(1.69)	8,874,962,004	6.24
Other Durable Man.	7,384,989,129	6.87	84.07	37,062,428	0.47	0.42	2,561,818,985	4.81	29.16	1,199,965,033	4.55	(13.66)	8,783,905,509	6.17
Non-Durable Man.	6,808,666,274	6.33	71.31	385,669,367	4.88	4.04	3,334,973,137	6.26	34.93	980,834,649	3.72	(10.27)	9,548,474,129	6.71
Primary Metals	1,568,423,238	1.46	81.13	(239,129,869)	(3.02)	(12.37)	648,296,059	1.22	33.54	44,449,203	0.17	(2.30)	1,933,140,224	1.36
Fabricated Metals	2,936,779,507	2.73	81.03	(31,863,091)	(0.40)	(0.88)	802,695,173	1.51	22.15	83,109,597	0.31	(2.29)	3,624,501,992	2.55
Machinery-Exc. Elect.	2,845,470,702	2.65	88.85	(290,472,219)	(3.67)	(9.07)	864,634,517	1.62	27.00	217,228,853	0.82	(6.78)	3,202,404,147	2.25
Trans. Equipment	7,889,181,100	7.34	83.81	(495,167,352)	(6.26)	(5.26)	5,286,904,175	9.93	56.17	3,268,068,542	12.38	(34.72)	9,412,849,381	6.62
Transportation	2,375,845,729	2.21	75.95	25,298,789	0.32	0.81	791,496,115	1.49	25.30	64,519,833	0.24	(2.06)	3,128,120,800	2.20
Comm. and Utilities	2,734,705,284	2.54	48.94	(1,349,472,291)	(17.06)	(24.15)	4,779,765,289	8.97	85.54	577,413,430	2.19	(10.33)	5,587,584,853	3.93
Wholesale Trade	4,407,803,700	4.10	71.07	405,030,648	5.12	6.53	1,713,640,200	3.22	27.63	324,409,524	1.23	(5.23)	6,202,065,024	4.36
Retail Trade	16,206,784,033	15.08	77.37	1,465,202,015	18.52	7.00	5,179,805,971	9.73	24.73	1,905,458,892	7.22	(9.10)	20,946,333,126	14.72
Fin., Ins., and R. Est.	7,631,019,611	7.10	58.65	2,001,701,148	25.31	15.39	10,960,248,804	20.58	84.24	7,582,837,130	28.73	(58.28)	13,010,132,432	9.14
Services	32,791,621,069	30.50	79.83	4,719,248,980	59.66	11.49	10,387,878,220	19.50	25.29	6,824,051,550	25.86	(16.61)	41,074,696,720	28.87
Not Else Clss./Misc.	<u>3,555,541,521</u>	<u>3.31</u>	62.63	<u>876,846,919</u>	<u>11.09</u>	15.45	<u>4,341,892,863</u>	<u>8.15</u>	76.48	<u>3,097,330,236</u>	<u>11.74</u>	(54.56)	<u>5,676,951,068</u>	<u>3.99</u>
All Businesses	\$107,503,738,003	100.00	75.56	\$7,910,176,381	100.00	5.56	\$53,260,786,485	100.00	37.43	\$26,391,363,339	100.00	(18.55)	\$142,283,337,530	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, 2002-2003

<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	255	1.91 %	\$4,095,059	0.23 %
Mining	73	0.55	9,043,235	0.51
Construction	1,424	10.68	39,281,490	2.22
Manufacturers	2,368	17.76	384,498,577	21.72
Other Durable Manufacturers	785	5.89	67,658,214	3.82
Non-Durable Manufacturers	602	4.51	60,343,845	3.41
Primary Metals	116	0.87	50,257,603	2.84
Fabricated Metal	380	2.85	16,739,183	0.95
Machinery--Except Electrical	323	2.42	30,186,138	1.70
Transportation Equipment	162	1.21	159,313,594	9.00
Transportation	508	3.81	17,966,941	1.01
Communications and Utilities	194	1.45	131,794,578	7.44
Wholesale Trade	653	4.90	38,960,980	2.20
Retail Trade	2,807	21.05	175,691,707	9.92
Finance, Ins., and Real Estate	1,114	8.35	321,626,876	18.17
Services	3,512	26.33	553,629,838	31.27
Not Elsewhere Classified/Misc.	<u>429</u>	<u>3.22</u>	<u>93,974,889</u>	<u>5.31</u>
All Businesses	13,337	100.00 %	\$1,770,564,170	100.00 %

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

Exhibit 14
Business Loss Deduction, 2002-2003

<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	55	\$5,153,357	0.55 %
Mining	39	14,566,124	4.32
Construction	333	48,886,266	0.55
Manufacturing	339	327,464,685	0.90
Other Durable Manufacturers	152	180,112,863	2.05
Non-Durable Manufacturers	79	63,809,745	0.67
Primary Metals	12	23,075,992	1.19
Fabricated Metals	41	9,560,301	0.26
Machinery--Except Electrical	32	26,037,077	0.81
Transportation Equipment	23	24,868,707	0.26
Transportation	149	52,444,706	1.68
Communications and Utilities	118	173,123,774	3.10
Wholesale Trade	151	36,104,283	0.58
Retail Trade	966	621,292,270	2.97
Finance, Insurance, and Real Estate	2,881	1,744,555,349	13.41
Services	2,088	1,071,592,733	2.61
Not Elsewhere Classified/Misc.	<u>751</u>	<u>336,836,120</u>	5.93
All Businesses	7,870	\$4,432,019,667	3.11 %

* 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, 2002-2003

<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	1,046	\$42,881,566	\$36,437,134	3.88 %
Mining	211	8,821,958	5,499,119	1.63
Construction	6,924	276,287,505	231,157,853	2.60
Manufacturing	4,221	176,480,483	152,899,911	0.42
Other Durable Manufacturers	1,648	69,174,029	58,268,997	0.66
Non-Durable Manufacturers	983	40,863,130	35,741,639	0.37
Primary Metals	157	6,416,950	5,771,922	0.30
Fabricated Metals	639	26,794,827	24,131,958	0.67
Machinery--Except Electrical	636	26,368,919	23,157,581	0.72
Transportation Equipment	158	6,862,628	5,827,814	0.06
Transportation	1,696	71,188,722	58,932,213	1.88
Communications and Utilities	508	21,044,754	14,732,247	0.26
Wholesale Trade	1,624	66,932,320	51,055,265	0.82
Retail Trade	17,502	714,854,155	606,659,301	2.90
Finance, Insurance, and Real Estate	5,187	213,751,533	109,442,886	0.84
Services	14,023	570,520,704	432,613,847	1.05
Not Elsewhere Classified/Misc.	<u>3,151</u>	<u>128,524,658</u>	<u>79,664,791</u>	1.40
All Businesses	56,093	\$2,291,288,358	\$1,779,094,567	1.25 %

* 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, 2002-2003

<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	750	32.27 %	\$1,765,270	228	9.81 %	\$986,086
Mining	114	23.03	547,787	49	9.90	\$546,551
Construction	5,593	36.43	29,452,427	718	4.68	3,574,702
Manufacturing	8,119	56.91	83,405,805	960	6.73	10,690,632
Other Durable Manufacturers	3,198	56.43	24,534,005	355	6.26	2,609,608
Non-Durable Manufacturers	1,782	53.56	20,231,496	199	5.98	4,930,307
Primary Metals	314	60.04	5,997,193	21	4.02	180,959
Fabricated Metals	1,284	61.00	9,843,184	173	8.22	1,266,311
Machinery--Except Electrical	1,155	59.05	10,327,264	172	8.79	1,020,507
Transportation Equipment	386	56.10	12,472,662	40	5.81	682,940
Transportation	1,470	39.17	8,529,316	280	7.46	3,429,110
Communications and Utilities	425	30.08	3,926,028	167	11.82	5,335,051
Wholesale Trade	2,780	51.97	12,885,082	170	3.18	2,700,483
Retail Trade	13,716	41.16	54,223,763	748	2.24	4,196,944
Finance, Insurance, and Real Estate	1,578	9.44	12,542,587	4,619	27.62	22,673,633
Services	15,286	34.32	85,782,407	10,702	24.03	109,805,000
Not Elsewhere Classified/Misc.	<u>1,746</u>	18.14	<u>6,103,270</u>	<u>2,291</u>	23.80	<u>15,805,329</u>
All Businesses	51,577	35.05 %	\$299,163,741	20,932	14.22 %	\$179,743,521

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

Exhibit 17
Alternate Tax Rate and Straight Percentage Methods, 2002-2003

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	757	32.57 %	\$862,773	596	25.65 %	\$1,680,273
Mining	71	14.34	84,731	264	53.33	3,253,754
Construction	4,545	29.60	5,813,027	4,526	29.48	14,446,627
Manufacturing	1,910	13.39	2,718,774	3,291	23.07	117,513,299
Other Durable Manufacturers	696	12.28	940,404	1,424	25.13	27,050,487
Non-Durable Manufacturers	423	12.71	568,531	929	27.92	46,070,904
Primary Metals	75	14.34	154,417	114	21.80	8,019,649
Fabricated Metals	326	15.49	504,907	322	15.30	7,790,985
Machinery--Except Electrical	331	16.92	463,834	300	15.34	4,231,377
Transportation Equipment	59	8.58	86,681	202	29.36	24,349,897
Transportation	678	18.07	713,148	1,335	35.57	4,557,778
Communications and Utilities	169	11.96	195,783	652	46.14	31,053,152
Wholesale Trade	591	11.05	859,090	1,817	33.97	35,502,318
Retail Trade	8,574	25.73	9,870,346	10,322	30.97	61,845,032
Finance, Insurance, and Real Estate	2,017	12.06	2,805,915	8,699	52.02	94,223,822
Services	8,039	18.05	10,204,982	10,986	24.66	55,508,243
Not Elsewhere Classified/Misc.	<u>1,002</u>	10.41	<u>1,114,766</u>	<u>4,782</u>	49.67	<u>48,414,749</u>
All Businesses	28,353	19.27 %	\$35,243,335	47,270	32.12 %	\$467,999,047

Alternate filers include simplified filers.

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

Exhibit 18
Claimed Investment Tax Credit
2002-2003

<u>Business Sector</u>	<u>Number Claiming ITC</u>	<u>Percent of Firms Claiming ITC</u>	<u>Claimed ITC</u>	<u>Percent of Claimed ITC</u>
Agriculture, Forestry, and Fishing	1,148	2.26 %	\$943,214	0.54 %
Mining	212	0.42	\$727,057	0.42
Construction	6,642	13.09	\$4,024,188	2.31
Manufacturers	5,522	10.88	44,101,326	25.34
Other Durable Manufacturers	1,964	3.87	4,338,574	2.49
Non-Durable Manufacturers	1,267	2.50	5,705,252	3.28
Primary Metals	210	0.41	939,499	0.54
Fabricated Metal	927	1.83	2,760,764	1.59
Machinery--Except Electrical	850	1.67	2,313,315	1.33
Transportation Equipment	304	0.60	28,043,922	16.11
Transportation	1,377	2.71	2,465,608	1.42
Communications and Utilities	516	1.02	8,567,395	4.92
Wholesale Trade	1,787	3.52	4,095,843	2.35
Retail Trade	13,756	27.10	15,139,206	8.70
Finance, Ins., and Real Estate	3,976	7.83	45,706,659	26.26
Services	13,893	27.37	30,940,767	17.78
Not Elsewhere Classified/Misc.	<u>1,927</u>	<u>3.80</u>	<u>17,322,134</u>	<u>9.95</u>
All Businesses	50,756	100.00 %	\$174,033,397	100.00 %

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

Exhibit 19
Effective Investment Tax Credit
2002-2003

<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	1,097	2.27 %	\$959,452	0.60 %
Mining	178	0.37	\$1,014,832	0.63
Construction	6,440	13.30	\$3,736,590	2.33
Manufacturers	5,386	11.12	44,187,018	27.58
Other Durable Manufacturers	1,888	3.90	4,435,825	2.77
Non-Durable Manufacturers	1,246	2.57	6,864,308	4.28
Primary Metals	210	0.43	865,421	0.54
Fabricated Metal	908	1.88	2,597,839	1.62
Machinery--Except Electrical	844	1.74	1,951,591	1.22
Transportation Equipment	290	0.60	27,472,034	17.15
Transportation	1,326	2.74	2,239,027	1.40
Communications and Utilities	476	0.98	7,842,235	4.89
Wholesale Trade	1,677	3.46	3,963,126	2.47
Retail Trade	13,291	27.45	13,262,038	8.28
Finance, Ins., and Real Estate	3,559	7.35	34,764,861	21.70
Services	13,248	27.36	34,321,391	21.42
Not Elsewhere Classified/Misc.	<u>1,747</u>	<u>3.61</u>	<u>13,923,754</u>	<u>8.69</u>
All Businesses	48,425	100.00 %	\$160,214,324	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, 2002-2003

<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	1,249	\$2,962,845	1,148	\$676,098	19	\$7,351
Mining	151	648,552	152	253,443	n.a.	n.a.
Construction	7,367	20,084,877	7,290	6,941,427	140	186,171
Manufacturing	3,833	15,837,102	4,606	12,850,424	286	445,205
Other Durable Manufacturers	1,371	5,672,644	1,818	3,460,457	111	176,179
Non-Durable Manufacturers	839	2,753,624	1,090	3,769,758	96	147,784
Primary Metals	144	799,526	151	629,679	n.a.	n.a.
Fabricated Metals	689	3,073,787	730	2,320,504	46	74,377
Machinery--Except Electrical	683	3,098,738	624	1,550,963	33	46,865
Transportation Equipment	107	438,783	193	1,119,063	n.a.	n.a.
Transportation	1,367	4,998,800	1,296	1,332,800	16	23,497
Communications and Utilities	340	1,165,820	409	2,210,698	50	6,266,254
Wholesale Trade	1,128	2,878,103	1,777	3,227,381	82	92,359
Retail Trade	15,554	32,055,168	14,149	12,677,717	276	230,551
Finance, Insurance, and Real Estate	3,362	11,108,723	7,041	6,187,667	165	203,890
Services	13,690	55,356,486	18,541	25,841,065	382	358,619
Not Elsewhere Classified/Misc.	<u>1,739</u>	<u>5,245,564</u>	<u>4,546</u>	<u>5,044,899</u>	<u>21</u>	<u>16,718</u>
All Businesses	49,780	\$152,342,039	60,955	\$77,243,619	1,466	\$7,885,975

Note: There were 9,876 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, 2002-2003

<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	369	\$786,379	975	\$3,183,209	638	\$4,241,605	342	\$1,727,476
Mining	37	52,305	160	569,550	192	3,363,425	106	1,362,050
Construction	2,046	2,673,799	6,373	43,395,036	5,558	46,431,818	1,376	6,057,611
Other Durable Man.	146	169,463	1,795	20,345,819	3,309	99,523,190	417	4,443,172
Non-Durable Man.	104	158,572	1,042	17,091,013	1,960	111,545,932	221	12,339,435
Primary Metals	n.a.	n.a.	158	3,073,982	331	20,835,357	25	1,559,952
Fabricated Metals	24	30,850	781	15,449,742	1,217	29,412,863	83	1,652,405
Machinery--Exc. Electrical	29	52,857	649	8,165,829	1,185	31,121,639	93	1,809,016
Transportation Equipment	n.a.	n.a.	175	4,670,040	449	107,889,314	50	3,054,319
Transportation	329	319,378	1,353	6,683,149	1,688	28,655,811	383	3,094,698
Communications and Utilities	44	85,670	406	2,234,066	738	68,952,876	225	14,233,020
Wholesale Trade	181	291,077	1,761	19,325,256	3,073	65,816,642	334	5,811,642
Retail Trade	3,388	3,269,551	15,036	75,995,809	12,184	177,969,877	2,719	14,707,925
Finance, Ins., and Real Estate	1,813	4,820,153	3,073	17,263,962	2,983	133,775,708	8,855	28,910,026
Services	4,914	15,528,833	14,297	93,560,567	13,844	221,778,370	11,486	139,421,329
Not Elsewhere Class./Misc.	1,499	3,221,350	2,369	17,159,155	2,459	53,847,175	3,300	19,824,281
All Businesses	14,946	\$31,494,845	50,403	\$348,166,184	51,808	\$1,205,161,602	30,015	\$260,008,357

* 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, 2002-2003

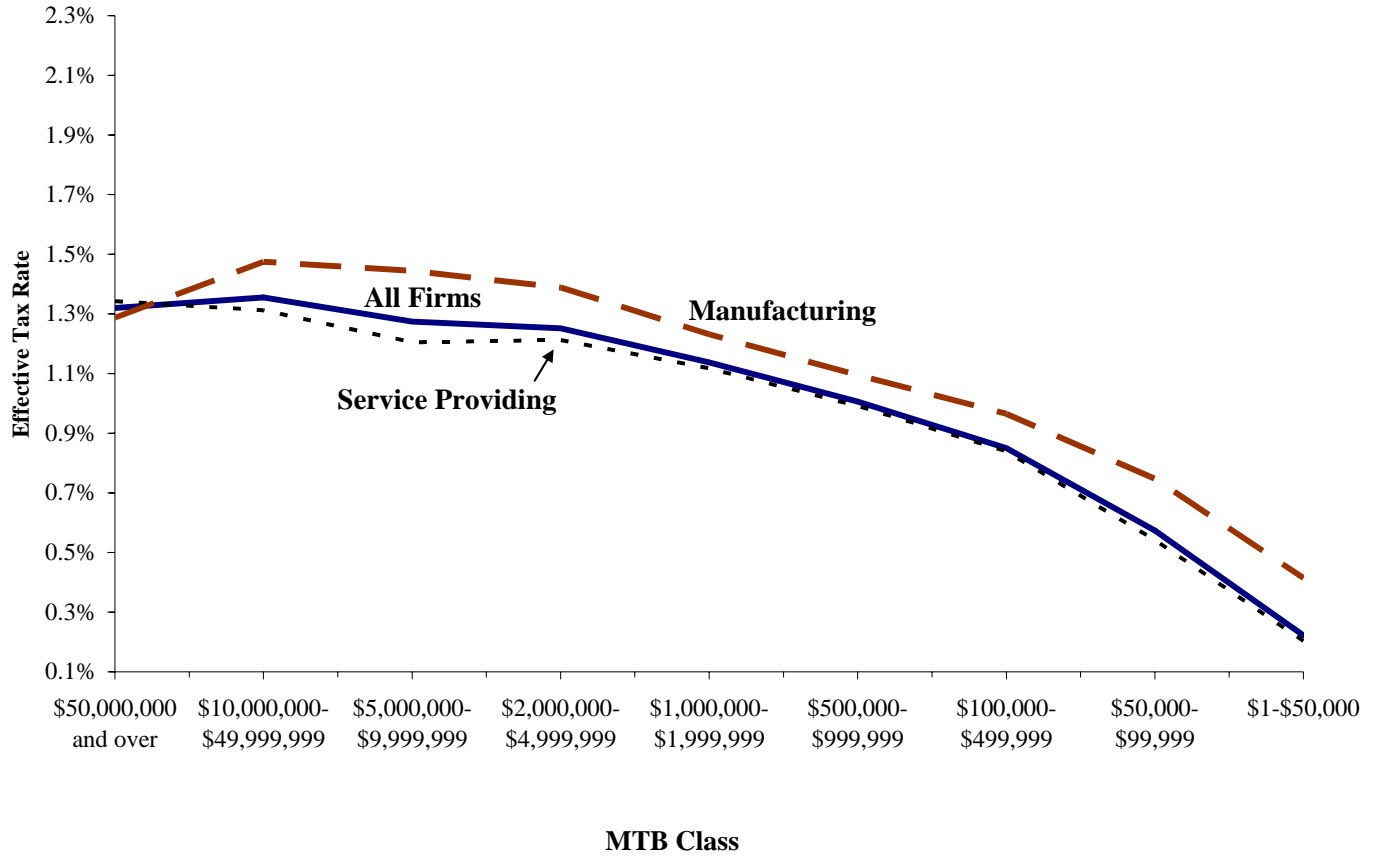
<u>Business Sector</u>	<u>All Businesses</u>	<u>\$50,000,000- and more</u>	<u>\$10,000,000- \$49,999,999</u>	<u>\$5,000,000- \$9,999,999</u>	<u>\$2,000,000- \$4,999,999</u>	<u>\$1,000,000- \$1,999,999</u>	<u>\$500,000- \$999,999</u>	<u>\$100,000- \$499,999</u>	<u>\$50,000- \$99,999</u>	<u>\$1- \$49,999</u>
Agriculture, For., and Fishing	1.03%	n.a.	n.a.	1.36%	1.26%	1.16%	0.96%	0.74%	0.39%	0.09%
Mining	1.17%	n.a.	n.a.	n.a.	1.19%	0.97%	0.85%	0.63%	0.50%	0.37%
Construction	1.09%	n.a.	1.25%	1.32%	1.20%	1.09%	0.97%	0.79%	0.57%	0.13%
Other Durable Manufacturers	1.38%	1.44%	1.52%	1.44%	1.40%	1.23%	1.12%	1.04%	0.80%	0.46%
Non-Durable Manufacturers	1.47%	1.50%	1.51%	1.53%	1.46%	1.33%	1.18%	0.99%	0.70%	0.40%
Primary Metals	1.29%	n.a.	1.52%	1.35%	1.37%	1.10%	1.07%	0.91%	0.58%	0.59%
Fabricated Metals	1.28%	n.a.	1.34%	1.41%	1.33%	1.17%	1.01%	0.86%	0.66%	0.21%
Machinery--Exc. Electrical	1.27%	n.a.	1.36%	1.39%	1.30%	1.16%	1.03%	0.83%	0.69%	0.42%
Transportation Equipment	1.22%	1.14%	1.45%	1.36%	1.39%	1.45%	1.10%	0.94%	0.82%	0.44%
Transportation	1.20%	n.a.	1.40%	1.40%	1.25%	1.09%	0.92%	0.73%	0.58%	0.37%
Communications and Utilities	1.41%	1.48%	1.36%	1.37%	1.28%	1.02%	1.00%	0.80%	0.68%	0.33%
Wholesale Trade	1.45%	1.48%	1.54%	1.52%	1.51%	1.41%	1.28%	1.15%	0.87%	0.39%
Retail Trade	1.27%	1.55%	1.47%	1.43%	1.37%	1.23%	0.99%	0.75%	0.47%	0.13%
Finance, Ins.,and Real Estate	1.15%	1.37%	1.23%	1.19%	1.08%	0.93%	0.80%	0.75%	0.57%	0.24%
Services	1.07%	1.09%	1.22%	1.03%	1.11%	1.07%	1.02%	0.90%	0.58%	0.24%
Not Elsewhere Classified/Misc.	1.21%	n.a.	1.29%	1.21%	1.26%	1.14%	1.07%	0.97%	0.81%	0.42%
All Businesses	1.21%	1.32%	1.36%	1.27%	1.25%	1.14%	1.01%	0.85%	0.57%	0.22%

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

Per Rule 205.1003, "n.a." was used to protect the confidentiality of firms in this MTB category. These firms were included in column and row averages.

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

**Exhibit 24
Effective Rates, 2002-2003**



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

Exhibit 25
Tax Adjustments as a Percent of Michigan Tax Base, 2002-2003

<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	-2.26 %	n.a.	0.00 %	4.19 %	5.41 %	11.77 %	0.00 %	3.54 %
\$50,000,000 - \$99,999,999	-1.36	n.a.	0.01	8.17	11.80	6.86	0.00	3.71
\$10,000,000 - \$49,999,999	-2.13	1.88	0.02	7.65	11.24	3.73	0.00	4.49
\$5,000,000 - \$9,999,999	-0.45	2.04	0.09	6.47	11.86	2.65	3.27	4.17
\$2,000,000 - \$4,999,999	-0.35	4.16	0.20	6.55	13.45	2.44	4.48	3.98
\$1,000,000 - \$1,999,999	-0.39	2.94	0.45	6.82	13.82	2.72	8.58	4.06
\$500,000 - \$999,999	-0.60	3.61	1.01	6.92	12.31	3.52	13.59	3.63
\$100,000 - \$499,999	-0.97	4.19	5.75	5.87	8.99	6.00	17.43	3.65
\$50,000 - \$99,999	-2.73	5.90	38.32	1.18	7.09	7.23	10.36	3.02
\$1 - \$49,999	-7.65	10.88	73.86	n.a.	2.83	-0.04	5.60	1.02
Total	-1.45 %	3.11 %	1.25 %	6.65 %	11.07 %	5.70 %	5.64 %	4.22 %

* 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, 2002-2003

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	1.40 %	0.36 %	1.21 %	0.31 %
Mining	1.89	0.28	1.39	0.35
Construction	1.28	0.29	1.25	0.29
Manufacturing	1.67	0.31	1.35	0.37
Other Durable Manufacturers	1.68	0.34	1.34	0.33
Non-Durable Manufacturers	2.06	0.36	1.51	0.38
Primary Metals	1.62	0.32	1.42	0.31
Fabricated Metals	1.58	0.42	1.29	0.41
Machinery, Except Electrical	1.44	0.37	1.21	0.42
Transportation Equipment	1.46	0.22	1.55	0.30
Transportation	1.53	0.39	1.16	0.24
Communications and Utilities	2.96	0.50	3.34	0.60
Wholesale Trade	2.04	0.19	1.60	0.17
Retail Trade	1.62	0.19	1.35	0.16
Finance, Ins., and Real Estate	2.09	0.09	1.75	0.25
Services	1.34	0.35	1.22	0.43
Not Elsewhere Classified/Misc.	2.04	0.17	1.45	0.20
All Businesses	1.62 %	0.23 %	1.37 %	0.28 %

* 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
Average	\$1,100,259,880	\$15,269,468,855	7.21 %

* 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. First \$45,000 of tax base exempt. Plus, 0.8 percent of modified gross receipts (receipts less 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
State and Local Business Taxes
As a Percent of Gross State Product (GSP) and Personal Income
COST Study, FY 2006

<u>State</u>	<u>State and Local Business Taxes (billions)</u>	<u>Effective Tax Rate (Percent of Private Sector GSP)</u>	<u>Rank</u>	<u>Personal Income (billions)</u>	<u>State and Local Business Taxes as a Percent of Personal Income</u>	<u>Rank</u>
Alabama	5.5	4.3%	41	140.0	3.9%	48
Alaska	3.1	9.8%	2	25.0	12.4%	2
Arizona	9.8	5.2%	22	191.6	5.1%	25
Arkansas	3.6	4.7%	32	77.3	4.7%	37
California	75.3	5.2%	22	1,397.8	5.4%	21
Colorado	8.1	4.2%	42	181.9	4.5%	43
Connecticut	6.9	3.9%	46	174.1	4.0%	47
Delaware	2.0	3.9%	46	32.1	6.2%	8
Florida	32.0	5.4%	19	643.0	5.0%	28
Georgia	13.2	4.2%	42	293.2	4.5%	40
Hawaii	2.4	5.6%	16	45.7	5.3%	23
Idaho	1.9	4.6%	36	42.6	4.5%	42
Illinois	26.7	5.3%	21	477.2	5.6%	18
Indiana	10.5	4.9%	28	196.4	5.3%	22
Iowa	4.6	4.6%	36	95.2	4.8%	34
Kansas	5.3	5.8%	13	91.5	5.8%	15
Kentucky	5.9	4.9%	28	120.5	4.9%	33
Louisiana	8.9	6.0%	11	115.3	7.7%	4
Maine	2.5	6.6%	5	41.4	6.0%	11
Maryland	9.4	4.6%	36	239.7	3.9%	49
Massachusetts	13.1	4.4%	40	289.2	4.5%	39
Michigan	15.8	4.7%	32	330.9	4.8%	35
Minnesota	10.8	5.1%	24	195.3	5.5%	19
Mississippi	4.1	6.1%	10	75.6	5.4%	20
Missouri	7.8	4.1%	45	185.3	4.2%	45
Montana	1.6	6.3%	7	28.4	5.6%	17
Nebraska	3.5	5.7%	15	58.8	6.0%	13
Nevada	4.7	4.7%	32	93.3	5.0%	27
New Hampshire	2.5	5.1%	24	50.2	5.0%	29
New Jersey	18.6	4.8%	30	391.3	4.8%	36
New Mexico	3.5	6.2%	8	55.1	6.3%	6
New York	50.5	5.9%	12	803.5	6.3%	7
North Carolina	11.7	3.9%	46	276.6	4.2%	44
North Dakota	1.6	7.3%	3	20.3	7.9%	3
Ohio	18.4	4.7%	32	370.3	5.0%	31
Oklahoma	5.7	5.6%	16	112.1	5.1%	26
Oregon	4.8	3.9%	46	119.2	4.0%	46
Pennsylvania	22.0	5.0%	26	442.6	5.0%	30
Rhode Island	2.2	5.8%	13	38.8	5.7%	16
South Carolina	5.6	4.8%	30	125.2	4.5%	41
South Dakota	1.5	5.4%	19	25.2	6.0%	14
Tennessee	9.3	4.6%	36	189.7	4.9%	32
Texas	49.4	5.6%	16	801.5	6.2%	10
Utah	3.3	4.2%	42	72.7	4.5%	38
Vermont	1.3	6.5%	6	21.1	6.2%	9
Virginia	11.3	3.9%	46	297.5	3.8%	50
Washington	14.2	6.2%	8	236.3	6.0%	12
West Virginia	3.2	7.2%	4	49.0	6.5%	5
Wisconsin	9.6	5.0%	26	186.4	5.2%	24
Wyoming	2.6	10.8%	1	20.8	12.5%	1
United States	\$553.7	5.1%		\$10,604.3	5.2%	

Source: Ernst and Young.