

How Will Snyder's Tax Overhaul Affect Your Business?

2/16/2011

[James G. Cavanagh](#)

Michigan Gov. Rick Snyder will submit his first budget and a new business tax plan to the Legislature tomorrow – February 17 – where he is expected to propose significant changes in the Michigan Business Tax. Those changes are likely to include eliminating business tax credits such as:

- Brownfield development
- Historic preservation
- Renaissance zones
- Michigan Economic Growth Authority
- Film

In addition, the personal property tax credit associated with the acquisition of new equipment will likely be eliminated. Instead, the Governor will propose a flat 6-percent income tax on all C Corporation entities with allocated income over \$350,000.

Among others, the Michigan Manufacturers Association strongly opposes the repeal of tax credits because it will mean substantially higher taxes for many of its members. Elimination of brownfield and historic preservation credits also will curtail construction and building rehabilitation efforts statewide.

Our attorneys in Lansing are experienced lobbyists who have worked with legislators for many years. They are ready to lobby the Legislature in an attempt to mitigate the effects of the proposed changes. If you would like to discuss these issues further, please contact James Cavanagh (517.679.7410 or jcavanagh@wnj.com) or any other member of the Government Affairs, Tax or Economic Incentives groups at Warner Norcross & Judd.