



State and Local Tax Newsletter 2007-2



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EHTC State and Local Tax Services

INCOME & FRANCHISE TAX

- Tax Minimization Studies
- Business Structure Reviews
- Allocation and Apportionment Planning
- Combined, Consolidated, & Unitary Planning
- Nexus Studies
- Amended State Tax Returns from IRS Audits
- Single Business Tax Training

SALES & USE TAX

- Reverse Audits
- Compliance System Review
- Direct Pay & Compliance Agreements
- Exemption Certificate Documentation
- Industrial Processing / Manufacturing Exemption
- Utility Studies
- Nexus Studies
- Sales & Use Tax Training
- Transportation Company
- Procurement Company

PROPERTY (AD VOLEM) TAX

- Real Property Tax Reviews
- Personal Property Tax Reviews

TAX AUDIT & APPEALS

- Sales & Use Tax Audit Defense & Appeals
- Single Business Tax Audit Defense & Appeals
- Property Tax Audit Defense & Appeals
- State and Local Tax Litigation Support
- Merger & Acquisition Due Diligence Reviews
- Voluntary Disclosure

BUSINESS INCENTIVE SERVICES

- Business Relocation &

TAX BILLS INTRODUCED INTO THE MICHIGAN HOUSE AND SENATE Legislation Would Restructure Michigan's Tax System

GRAND RAPIDS, MI – Friday, March 2, 2007 – On Thursday, March 1st the administration of Governor Jennifer Granholm introduced a massive package of tax bills in both the Michigan Senate and the Michigan House of Representatives. A total of twenty-four bills at last count, the package of bills would not only replace the single business tax, but would completely restructure Michigan's tax system.

Below is a listing of the House Bills that can be accessed at the Michigan Legislature web site below, just enter the bill number.
[http://www.legislature.mi.gov/\(S\(pud41i45ep3fiu45idoxdtrx\)\)/mileg.a.spx?page=home](http://www.legislature.mi.gov/(S(pud41i45ep3fiu45idoxdtrx))/mileg.a.spx?page=home).

Elements of the Plan:

- Michigan Business Tax
- Excise Service Tax
- Estate Tax
- Cigarette tax increase
- Tax increase on other tobacco products
- Increase in the liquor mark-up percentage
- Elimination of certain tax loopholes
- Trade-in allowance on the purchase of a new vehicle

- HB 4367 Michigan Business Activities Tax
- HB 4368 Excise Service Tax
- HB 4369 Personal Property Tax Exemption - School Mills
- HB 4370 PPT Exemption, (SET 6 mills)
- HB 4371 PPT Exemption, Re-calc for plant rehabilitation
- HB 4372 PPT Exemption, commercial/industrial
- HB 4373 Sales Tax Exemption, auto trade-in
- HB 4374 Sales Tax, prison sales
- HB 4375 WPW, specific tax
- HB 4376 WPW, additions/loss
- HB 4377 Estate tax
- HB 4378 Sales Tax on Interstate Transportation (trucks/trailers/parts)
- HB 4379 Use Tax on Interstate Transportation (trucks/trailers/parts)
- HB 4380 SSTP trucks/trailers/parts
- HB 4381 Sales Tax, vended food
- HB 4382 Use Tax, vended food
- HB 4383, Use Tax 1-800, WATTS
- HB 4384 PPT tax on water coolers
- HB 4385 Penalties
- HB 4386 Affiliate Nexus
- HB 4387 Income Tax, Oil
- HB 4388, Income tax, oil
- HB 4389 Tobacco Tax

Edward S. Kisscorni is the Director of State and Local Taxation with EHTC in Grand Rapids. Ed has over 35 years of experience in Michigan state and local taxation as an auditor with the Michigan Department of Treasury, in the tax department of a large international CPA firm, as a sole practitioner, and in the state and local tax group of a national CPA firm.

He currently serves on the Treasury Business Advisory Group and other organizations.

Ed's practice areas include Consultation and Planning and Litigation Support in the areas of State and Local Taxation and Accountant's Legal Liability.

STATE AND LOCAL TAX WHITEPAPERS

MICHIGAN SINGLE BUSINESS TAX

- History
- Compensation
- Capital Acquisition Deduction
- Agricultural Exemption
- Entities Under Common Control
- Combined or Consolidated Returns
- Jurisdictional Standards
- Apportionment & Allocation
- Foreign Taxpayers
- Small Business Credit
- Investment Tax Credit
- Michigan Economic Growth Authority Credit (MEGA)
- Brownfield Zone Credit
- Renaissance Zone Credit
- Historic Resource Credit