

New 100% SBT Property Tax Credit for Jobs Transferred into Michigan

Program Description

A 100% tax credit under the Michigan Single Business Tax (SBT) will be available for three years, 2007 – 2009, for new tangible personal property that is used in support of jobs transferred into the state. The refundable credit is for only the first year that the taxpayer pays property taxes on the specified equipment.

The MEGA Board will verify the jobs transferred and issue a certificate for this credit. The credit applies to property taxes associated with the General Property Tax Act, the Industrial Facilities Tax (PA198), Obsolete Property Rehabilitation Act (OPRA), and reimbursement payments made under contract relative to Renaissance Zones.

The “transferred jobs” must meet the following criteria:

1. The jobs perform high-tech or manufacturing activities.
2. The jobs were located in another state or country during the preceding tax year.
3. The jobs must either (a) represent an overall increase in the Full-Time Equivalent (FTE) jobs in Michigan, or (b) the taxpayer certifies before the MEGA Board that the FTE jobs have increased at the facility where the jobs were transferred and that the transfer of jobs is substantially more likely to occur as a result of the tax credit.
4. The jobs are not ones into which existing employees transfer.
5. The jobs provide specified healthcare coverage.

The transferred jobs must be maintained for 3 years otherwise the credit level is reduced or eliminated.

For more information about this program, contact Southwest Michigan First at 269.553.9588.