
From: AGC of Michigan

Subject: Urgent Message-Final MBT Language Introduced



LEGISLATIVE BULLETIN

A CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Tuesday, June 26, 2007

**Urgent Message to AGC
Construction
Contractors...
Final MBT Language
Introduced...
Assess Impact on Your
Company**

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We are making available a draft of the proposed Michigan Business Tax that was released late last evening.

(http://www.magnetmail.net/images/clients/AGCDetroit/attach/S013207_H4_Draft) It is intended to replace the current Single Business Tax which expires at the end of the year. AGC has worked hard to ensure that subcontracts be allowed as purchases and therefore not subject to the gross receipts tax. You will see the specific language on page 12 of the bill and we are still working to have materials included as part of subcontracts.

Please review any section that you believe impacts your business, including the sections covering LLCs and Subchapter S Corporations, firms with annual revenue under \$20 million dollars, etc. The business income tax rate is 4.95% and the maximum gross receipts tax rate is 0.80%.

We have a limited opportunity to make recommendations to lawmakers and staff. We need to provide all of our **comments by 3:00 p.m. today**. We have already communicated our concerns about both labor and materials being inclusive of subcontracts for deduction purposes. If you have any questions and/or concerns, please e-mail me at dhill@agcmichigan.org or call 517/371-1550.

Thank you.

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