



LEGISLATIVE BULLETIN

A CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

December 16, 2008

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With only a few days remaining in the 'Lame Duck' session of the 94th Michigan Legislature, several important issues are still being considered that can significantly help the state's construction industry.

Statute of Limitations

Senate Bill 865, legislation that would return Michigan's statute of limitations for bringing action against a contractor from 6 years to 3 years, has yet to be taken up by the full House of Representatives with only a few days remaining in this legislature. If the bill is not voted on this week, it will have to be re-introduced in the next legislature and go through both chambers again.

AGC of Michigan is working with House Speaker Andy Dillon to get this bill to the House floor for a vote.

Action Requested: Please contact your state representative and encourage them to push for a floor vote on SB 865. A [recommended e-mail and/or letter is attached](#) for your use.

Joint Venture Tax Treatment under the MBT

Another issue on which AGC of Michigan is working hard involves how construction joint ventures are treated under the new Michigan Business Tax. Currently, these companies cannot deduct partner billings for services including construction management, architectural and design services. AGC has argued that JVs should be allowed to count these purchases against calculation of their gross receipts taxes. This is a fairness issue and an example of unintended tax pyramiding of the gross receipts tax.

AGC has been working with Senate Finance Committee chair Nancy Cassis to address this issue. It is currently tied up in party politics but still has the possibility of being resolved in this legislature.

Action Requested: Please contact your Senator and urge him or her to support fair tax treatment of construction joint venture

partners in the MBT.

Transportation Funding

AGC of Michigan weighed in recently in support of Michigan making a significant investment in transportation funding to meet those critical infrastructure needs. Efforts last week cleared the way for action in both the House and Senate this week on transportation funding.

Lawmakers are debating a transportation plan that would provide \$1.5 billion annually to improve infrastructure. Much is at stake in this debate with Michigan's transportation infrastructure in critical need of additional financing and failure to provide state funding could result in Federal matching dollars going to other states.

Action Requested: Please contact your House and Senate members and ask them to support the transportation investment plan to begin addressing Michigan's highway needs and help promote economic development and investment in our state.

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