

## **MITA: 'Where's MBT Fix?' – 6-27-07**

The new Michigan Business Tax (MBT) is expected to move through the legislature this week — probably Thursday. However, when the 156-page bill was unveiled late last night, the fix for heavy construction contractors, particularly road-builders, was absent.

Basically the bill makes the "fix" for general contractors, but not for the heavy contractors that are represented by the Michigan Infrastructure and Transportation Association (MITA), that lobbied for the changes.

"This would really burden a lot of Michigan-based family-owned businesses," Mike NYSTROM, vice president of government and public relations for (MITA), told MIRS this evening.

Recall that MITA cried "foul" over the version of the MBT that emerged from negotiations between the Legislature and the Governor. The group claimed that under the measure each time a job was bid out to another contractor or subcontractor it would multiply the state tax bill for a project by 400 percent or more.

Treasury acknowledged the problem, and pledged to correct it, (See "MBT Fixed To Address Contractors' Concerns," 06/22/07)

After MIRS received calls on the situation today, it contacted Rep Paul CONDINO (D-Southfield), a key negotiator on the MBT and asked him what had happened.

"It's a technical mistake," Condino told MIRS. "The bill we'll vote on this week will have the correct language. Now, it may not go as far as the industry wants it to go, but the problem with wording will have been corrected."

"That's not what we've been told, " MITA director of legislative Affairs, Keith LEDBETTER said in response to Condino's explanation.

Ledbetter said that the information he received from the talks on the Senate side of the equation was that there was no more excess revenue from the proposed levy to provide for MITA's fix.