



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

December 28, 2018

Michigan Senate
Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48913

Ladies and Gentlemen:

Today I vetoed Enrolled Senate Bill 1097. The bill would have amended 1967 PA 281, the Income Tax Act of 1967, to alter the definition of taxable income.

Due to provisions of the federal Tax Cut and Jobs Act, Michigan businesses realized an increase in their tax liability as a result of a limitation imposed on business interest. Enrolled Senate Bill 1097 attempted to address this matter. However, it would have done so in a manner inconsistent with the sound budgetary practices my administration has followed during the last eight years.

As written, the bill would have been retroactive to January 1, 2018, and would have applied to all business activity occurring after December 31, 2017. It was estimated that the bill would have reduced corporate income tax revenue by \$15.0 million in FY 2017-18, by \$115.0 million in FY 2018-19, and by \$100.0 million per year thereafter. Of course, all corporate income tax revenue accrues to the general fund.

With that in mind, I have vetoed Enrolled Senate Bill 1097.

Sincerely,

Rick Snyder
Governor