



# **MBA Advocacy Report**

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**Michigan Bankers Association • 517-485-3600**

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**December 21, 2005**

## **Governor Signs Business Tax Relief Bills**

Yesterday, Governor Granholm signed into law the business tax relief bills passed by the legislature last week. This legislation includes \$600 million in tax cuts over four years, which is \$100 million more than the previous proposal announced last month. It allows manufacturers to receive an SBT credit of 15% on their personal property tax and companies that bring jobs to Michigan to claim an SBT credit of 100% on their personal property tax.

The legislation includes no tax increases and does not change the SBT sunset date of 2009. It also will gradually increase the sales portion of the SBT apportionment from 90% to 95% by 2008.

Once again, your testimony, your contacts and calls to legislators, and your letters to the editor all made a significant impact in this debate. Congratulations on a job well done.

## **Advocacy Roundup**

The Advocacy Department had a wonderful month of December! Our presentation at the Bank Management & Directors Conference was well received and viewed as helpful by most attendees. Dick DeVos as a speaker was an interest to many. Look for still increased Advocacy presence at the summer convention with House Speaker Craig DeRoche and Governor Jennifer Granholm (again invited) as speakers.

The deposit insurance reform bill passed in D.C. Click [here](#) to read an ABA-prepared chart outlining the agreement. This has been in the works since the '80s and is a final installment on the Savings and Loan problems (D.C. fixes can take some time). Banks fared well in this legislation passing Congress. Banks who have paid large premiums in the past will get credit for doing so while other newer members who have not paid any premiums will have to pay a larger share.

Since a number of new banks have entered the FDIC system and no premiums have been assessed in over a decade, the new fund's capital ratio has fallen. It is expected that premiums will be assessed to banks this summer. This is not a result of the reform legislation. Rather, the credits given to long-time members of the system will result in lower premiums than would have been assessed without the reforms.

## **MBA Advocacy Committee Spotlight**

### **MBA Policy Committee – Chairman David Ramaker**

MBA Policy Committee kicked off their activities for 2006 with discussions concerning:

1. Credit union taxation (we think they ought to pay them if they are acting like banks).
2. Credit union conversions (if CUs are acting like banks, they ought to be banks).
3. Wal-Mart ILC (they are big, they are a force of commerce, they should not be a force of banking).
4. Bank code revisions (keep that bank charter a progressive franchise) to be sought after in 2006.
5. This Committee will be reviewing the Financial Elder Abuse MBA policy in spring 2006.

## **Happy Holidays!!**

If you are interested in past issues of the Advocacy Report – [click here](#).

**FOR MORE INFORMATION**, or if you have any questions about any items mentioned in this report, please contact [John Lewellyn](#) at (517) 342-9058.