



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

December 28, 2018

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

Ladies and Gentlemen:

Today I am returning to you unsigned Senate Bill 362.

The bill would have amended the Financial Institution Tax Act to revise the apportionment formula for a financial institution with respect to gross business attributable to the foreign business of a controlled foreign corporation. The change has the effect of removing foreign equity from the tax base for large multinational banks.

Senate Bill 362 represents a significant departure from the tax policy practices that have allowed the state to return to solid financial footing. Were it to become law, SB 362 would likely result in a reduction of revenues between \$10 and \$15 million annually.

I am vetoing SB 362 because I do not believe it is appropriate tax policy.

Sincerely,

Rick Snyder
Governor