

Income/Franchise:

Michigan: Newsletter Summarizes Recent Cases Involving Federal Depreciation and Basis Adjustments

Treasury Update Newsletter, Mich. Dept. of Treasury, Tax Policy Division (5/23). A newsletter published by the Tax Policy Division of the Michigan Department of Treasury summarizes some recent noteworthy cases, including two Michigan Court of Claims (Court) cases [see Case No. 21-000148-MT (Feb. 3, 2023) and Case No. 21-000178-MT (March 2, 2023)] addressing whether a taxpayer may increase its basis in assets purchased under the Michigan Single Business Tax (SBT) and sold under the Michigan Business Tax (MBT)/Corporate Income Tax (CIT) by the amount of depreciation it was required to add back to its tax base under the SBT. According to the newsletter, the Court's decisions agreed with the Michigan Department of Treasury in holding that neither the MBT nor the CIT allowed such a basis adjustment. Please contact us with any questions.

URL: https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/Newsletters/Treasury-Update-Newsletter_May2023.pdf

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