

MICHIGAN Infrastructure FAQs

INFRASTRUCTURE CREDIT

Do non-permanent fixtures such as honeywagons (a type of multi-room trailer used by film and television productions) and star trailers (larger trailers typically used by celebrities) qualify for the infrastructure credit?

No, the credit is not available for mobile tangible assets, such as honeywagons and trailers that are designed to be moved from location to location.

A company that is the lessee of a building in Michigan intends to make capital improvements to the leased property to convert it into studio space to be used by the film and/or video game production industries. Would the expenditures associated with these improvements qualify as the lessee's "base investment," making the lessee eligible for the Infrastructure Credit?

No. The Infrastructure Credit is not available to lessees of real property, even though planned improvements to the real property may be capital in nature and would be depreciable by the lessee for federal income tax purposes. Only the owner of the real property is eligible to apply for the Infrastructure Credit with respect to improvements made to the real property.