Huntington Bancshares Incorporated
Huntington Center
41 South High Street
Columbus, OH 43287

Huntington

September 12, 2007

The Honorable Steve Bieda
Chairman, Tax Policy Committee
Michigan House of Representatives
519 House Office Building
Lansing, Michigan 48933

The Honorable Kim Meltzer
Minority Vice-Chair, Tax Policy Committee
Michigan House of Representatives
519 House Office Building
Lansing, Michigan 48933

The Honorable Paul Condino
Vice-Chair, Tax Policy Committee
Michigan House of Representatives
519 House Office Building
Lansing, Michigan 48933

Dear Chairman Bieda, Vice-Chair Condino and Minority Vice-Chair Meltzer:

Thank you for the opportunity to share the view of Huntington Bancshares Incorporated as it relates to the Financial Institutions Tax within the new Michigan Business Tax, and specifically, House Bill 5118.

Huntington Bancshares Inc. is a $55 billion regional bank holding company headquartered in Columbus, Ohio. Through its affiliated companies, Huntington has more than 141 years of experience serving the financial needs of its customers. Huntington provides retail and commercial financial products and services through more than 700 regional banking offices and1,400 ATMs in Michigan, Indiana, Kentucky, Ohio, Pennsylvania and West Virginia.

In Michigan, Huntington serves more than 215,000 households through our network of 107 banking offices, 225 ATMs and regional executive management teams in Troy and Grand Rapids.

We support the Michigan economy by providing more than 1,600 high-quality jobs throughout the state, and we expect to add more than 200 new, high-quality jobs in the next two years. Additionally, Huntington supports the business climate in the state through the extension of more than $4.0 billion in credit to businesses and consumers while maintaining $5.1 billion in deposits.

We appreciate the tremendous efforts of this committee to create a healthy economic environment in Michigan through the thoughtful debate of tax policy to ensure businesses like Huntington can continue to succeed, grow and provide resources to the citizens of the state.

As it relates to the Financial Institutions Tax, we believe House Bill 5118 addresses the original intent of the committee and the full legislature to support and facilitate a climate of growth for the financial services industry in Michigan. Specifically, the legislation aligns with the intent to make the transition from the Single Business Tax to the Michigan Business Tax as smooth as possible for financial institutions serving Michigan, and importantly, to avoid inadvertently impacting pending business acquisitions or mergers in progress.

As you may know, on Dec. 20, 2006, Huntington announced its proposed acquisition of Sky Financial Group, including its subsidiary, Sky Bank.

This acquisition, which expanded our presence in Southern Michigan, closed on July 1, 2007, a result of more than seven months of focused, detail-driven and complex efforts on the part of our associates in Michigan and throughout our Midwest footprint.

As a result, our merger was caught squarely in the chance selection of July 1, 2007, as the date after which goodwill is excluded from the FIT. Goodwill, as this committee is aware, is the difference between the amount paid for a company and the accounting values assigned to the acquired company's tangible and intangible assets, minus liabilities.

The impact of this chance selection of *"after July 1, 2007"* places Huntington in what we believe is the unintended position of incurring additional taxes in Michigan as a result of a pending transaction that closed *on* July 1, 2007.

Our industry is a fiercely competitive one and House Bill 5118 brings into realignment the intent of the legislation to support investment in Michigan, and it places Huntington back on even ground within the industry as we continue our commitment to Michigan and look forward to opportunities to grow here.

Mr. Chairman, we appreciate your leadership and the work of the full House Tax Policy committee in maintaining a fair tax environment as we transition to the MBT. We appreciate the full committee's consideration of House Bill 5118, and we are hopeful the committee will support this correction, in line with the original intent.

Thank you for the opportunity to provide additional input on our commitment to Michigan and to discuss our views on this important legislation.

Sincerely,

Edward J. Kane
Senior Vice President, Corporate Tax Director
Huntington Bancshares Incorporated

cc: The Honorable Brian N. Calley
The Honorable Barbara Farrah
The Honorable Robert B. Jones
The Honorable Jeff Mayes
The Honorable Andy Meisner
The Honorable Tim Melton
The Honorable John Pastor
The Honorable Brian Palmer
The Honorable Fulton Sheen
The Honorable Joel Sheltrown
The Honorable Glenn Steil Jr.
The Honorable Rebekah Warren
The Honorable Lorence Wenke
The Honorable Coleman A. Young II