

MERCANTILE BANK CORP  
Form 8-K  
January 09, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): January 9, 2018**

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**Mercantile Bank Corporation**

(Exact name of registrant as specified in its charter)

<b>Michigan</b> (State or other jurisdiction of incorporation)	<b>000-26719</b> (Commission File Number)	<b>38-3360865</b> (IRS Employer Identification Number)
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<b>310 Leonard Street NW, Grand Rapids, Michigan</b> (Address of principal executive offices)	<b>49504</b> (Zip Code)
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Registrant's telephone number, including	<b>616-406-3000</b>
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area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 8.01 Other Events.**

***Impact of the Tax Cuts and Jobs Act on Deferred Tax Assets***

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") became law. The Act introduces tax reform that reduces the current corporate federal income tax rate from 35% to 21%, among other changes. The rate reduction is effective January 1, 2018.

Mercantile Bank Corporation (the "Company") has determined that the Act requires a revaluation of its net deferred tax asset. Deferred income taxes result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in future years. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in years in which those temporary differences are expected to be recovered or settled. As changes in tax laws or rates are enacted, like the Act, deferred tax assets and liabilities are adjusted through income tax expense.

The Company estimates that, based on current information, the Act's impact will be to reduce the value of the Company's net deferred tax asset that is affected by the rate change by approximately \$1.3 million, which will be recorded as additional income tax expense during the fourth quarter of 2017. The estimated impact is a reduction of fourth quarter 2017 earnings and year-end 2017 tangible book value by approximately \$0.08 per share.

The Company's revaluation of its net deferred tax asset and other relevant details remain subject to modifications and updates as information and analysis regarding the Act and other relevant factors emerge.

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Mercantile Bank Corporation

By: /s/ Charles E. Christmas  
Charles E. Christmas  
Executive Vice President, Chief  
Financial Officer and Treasurer

Date: January 9, 2018