

HOUSE BILL No. 6576

October 29, 2008, Introduced by Rep. Proos and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 461. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2008, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED UNDER
3 THIS ACT EQUAL TO 10% OF THE QUALIFIED EDUCATIONAL EXPENSES
4 INCURRED DURING THE TAX YEAR BY THE TAXPAYER ON BEHALF OF A
5 QUALIFYING EMPLOYEE. THE MAXIMUM CREDIT ALLOWED IN ANY TAX YEAR
6 SHALL NOT EXCEED \$600.00 FOR A QUALIFYING EMPLOYEE.

7 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
8 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
9 EXCESS SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET

1 TAX LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED
2 UP, WHICHEVER OCCURS FIRST.

3 (3) AS USED IN THIS SECTION:

4 (A) "INSTITUTION OF HIGHER EDUCATION" MEANS AN INSTITUTION OF
5 HIGHER EDUCATION OR A COMMUNITY OR JUNIOR COLLEGE DESCRIBED IN
6 SECTION 4, 5, 6, OR 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF
7 1963 OR AN INDEPENDENT NONPROFIT DEGREE-GRANTING INSTITUTION OF
8 POSTSECONDARY EDUCATION IN THIS STATE THAT IS APPROVED BY THE STATE
9 BOARD OF EDUCATION.

10 (B) "QUALIFIED EDUCATIONAL EXPENSES" MEANS THE TUITION AND
11 FEES CHARGED TO AN INDIVIDUAL WHO IS ENROLLED IN A COURSE OR
12 COURSES OFFERED BY AN INSTITUTION OF HIGHER EDUCATION AND WHO
13 SUCCESSFULLY COMPLETED THAT COURSE OR COURSES WITH A GRADE OF 75 OR
14 ABOVE ON A 100-POINT SCALE OR ITS EQUIVALENT.

15 (C) "QUALIFYING EMPLOYEE" MEANS AN INDIVIDUAL WHO IS EMPLOYED
16 BY THE TAXPAYER FOR AT LEAST 40 HOURS PER WEEK.