



HOUSE BILL No. 6099

September 19, 1996, Introduced by Rep. Profit and referred to the Committee on Tax Policy.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled
"Single business tax act,"
as amended, being sections 208.1 to 208.145 of the Michigan
Compiled Laws, by adding section 38e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 38e to read as follows:

4 SEC. 38E. (1) FOR TAX YEARS BEGINNING AFTER DECEMBER 31,
5 1995, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
6 THIS ACT EQUAL TO THE QUALIFIED EXPENSES PAID BY THE TAXPAYER IN
7 THE TAX YEAR, NOT TO EXCEED \$2,000.00 FOR EACH APPRENTICE TRAINED
8 BY THE TAXPAYER IN THE TAX YEAR.

1 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
2 LIABILITY OF THE TAXPAYER UNDER THIS ACT FOR THE TAX YEAR, THAT
3 PORTION OF THE CREDIT THAT EXCEEDS THE TAXPAYER'S TAX LIABILITY
4 SHALL BE REFUNDED.

5 (3) AS USED IN THIS SECTION:

6 (A) "APPRENTICE" MEANS A PERSON WHO IS A RESIDENT OF THIS
7 STATE, IS 19 YEARS OF AGE OR YOUNGER, HAS NOT OBTAINED A HIGH
8 SCHOOL DIPLOMA, IS ENROLLED IN HIGH SCHOOL OR A GENERAL EDUCATION
9 DEVELOPMENT (G.E.D.) TEST PREPARATION PROGRAM, AND IS TRAINED BY
10 A TAXPAYER THROUGH A PROGRAM THAT MEETS ALL OF THE FOLLOWING
11 CRITERIA:

12 (i) THE PROGRAM IS REGISTERED WITH THE BUREAU OF APPRENTICE-
13 SHIP AND TRAINING OF THE UNITED STATES DEPARTMENT OF LABOR.

14 (ii) THE PROGRAM IS PROVIDED PURSUANT TO AN APPRENTICESHIP
15 AGREEMENT SIGNED BY THE TAXPAYER AND THE APPRENTICE.

16 (iii) THE PROGRAM IS FILED WITH A LOCAL WORKFORCE DEVELOP-
17 MENT BOARD.

18 (B) "LOCAL WORKFORCE DEVELOPMENT BOARD" MEANS A BOARD ESTAB-
19 LISHED BY THE CHIEF ELECTED OFFICIAL OF A LOCAL UNIT OF GOVERN-
20 MENT PURSUANT TO THE JOB TRAINING PARTNERSHIP ACT, PUBLIC LAW
21 97-300, 96 STAT. 1322, THAT HAS THE RESPONSIBILITY TO ENSURE THAT
22 THE WORKFORCE NEEDS OF THE EMPLOYERS IN THE GEOGRAPHIC AREA GOV-
23 ERNED BY THE LOCAL UNIT OF GOVERNMENT ARE MET.

24 (C) "QUALIFIED EXPENSES" MEANS ALL OF THE FOLLOWING:

25 (i) SALARY AND WAGES PAID TO AN APPRENTICE.

26 (ii) FRINGE BENEFITS AND OTHER PAYROLL EXPENSES PAID FOR THE
27 BENEFIT OF AN APPRENTICE.

1 (iii) COSTS OF CLASSROOM INSTRUCTION AND RELATED EXPENSES
2 IDENTIFIED AS COSTS FOR WHICH THE TAXPAYER IS RESPONSIBLE PURSU-
3 ANT TO AN APPRENTICESHIP AGREEMENT, INCLUDING BUT NOT LIMITED TO
4 TUITION, FEES, AND BOOKS FOR COLLEGE LEVEL COURSES TAKEN WHILE
5 THE APPRENTICE IS ENROLLED IN HIGH SCHOOL.