

Act No. 7  
Public Acts of 1995  
Approved by the Governor  
March 8, 1995  
Filed with the Secretary of State  
March 8, 1995

**STATE OF MICHIGAN  
88TH LEGISLATURE  
REGULAR SESSION OF 1995**

**Introduced by Senators Bennett, Steil, Rogers, Hoffman, Schuette, Dunaskiss, Gast, Geake, DeGrow, Cisky, Gougeon, Stille, North, Shugars, Honigman, Bouchard and Schwarz**

# **ENROLLED SENATE BILL No. 237**

AN ACT to amend Act No. 281 of the Public Acts of 1967, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, by adding section 274.

*The People of the State of Michigan enact:*

Section 1. Act No. 281 of the Public Acts of 1967, as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, is amended by adding section 274 to read as follows:

Sec. 274. (1) For the 1995 tax year and each tax year after the 1995 tax year and subject to the limitations in this section, a claimant who has household income of \$200,000.00 or less and who is a resident of this state may claim a credit against the tax due under this act for fees uniformly required to be paid by all students and tuition paid by the claimant on behalf of the claimant or any other student to a qualified institution of higher learning.

(2) A claimant may claim a credit under this section equal to 4% of the sum of all fees uniformly required to be paid by all students and tuition paid, not to exceed \$250.00 for each student for each tax year.

(3) A credit shall not be claimed under this section for more than 4 tax years for any 1 student.

(4) The credit under this section shall be claimed on a separate form exclusive of any other form required by this act.

(5) The department may require reasonable proof from the claimant in support of the fees and tuition payments claimed under this section.

(6) The department may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(7) The total amount of credits claimed for tuition and fees paid by or on behalf of any 1 student shall not exceed the maximum amount allowable under subsection (2).

(8) As used in this section:

(a) "Qualified institution of higher learning" means an institution that meets all of the following criteria:

(i) The institution meets the criteria for an institution of higher learning under section 260.

(ii) The institution is located in this state.

(iii) The instructional programs of the institution are not comprised solely of sectarian instruction or religious worship.

(iv) The institution has provided a letter of notification to the state treasurer before July 1 of the tax year that states that the institution will not increase tuition rates during the ensuing academic year by more than the annual average percentage increase in the United States consumer price index in the immediately preceding tax year.

(b) "Tuition" means tuition paid for credits for an undergraduate degree program or credits granted by a community college toward a degree program or granted for the purpose of transferring those credits toward an undergraduate degree program less any refunds of tuition received by the claimant or student.

(c) "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics, and as certified by the state treasurer.

Section 2. This amendatory act shall not take effect unless all of the following bills of the 88th Legislature are enacted into law:

(a) Senate Bill No. 233.

(b) House Bill No. 4233.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved \_\_\_\_\_

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Governor.

