

SENATE BILL NO. 575

May 6, 1999, Introduced by Senators A. SMITH, GAST, CHERRY, PETERS, BYRUM, MC MANUS, SCHWARZ, KOIVISTO, DE BEAUSSAERT, MILLER, NORTH, GOUGEON, VAUGHN, HOFFMAN, MURPHY, DINGELL and HART and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 267.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 267. (1) FOR THE 1999 TAX YEAR AND EACH TAX YEAR AFTER
2 THE 1999 TAX YEAR, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED BY THIS ACT THAT IS EQUAL TO THE QUALIFIED TUITION AND
4 FEES PAID BY THE TAXPAYER IN THE TAX YEAR ON BEHALF OF AN ELIGI-
5 BLE STUDENT MINUS ANY AMOUNT OF TUITION USED TO REDUCE FEDERAL
6 TAX LIABILITY UNDER SECTION 25A OF THE INTERNAL REVENUE CODE.
7 FOR PURPOSES OF THIS SECTION, ALL OTHER TAX CREDITS ARE CONSID-
8 ERED TO HAVE BEEN TAKEN BEFORE THE CREDIT ALLOWED UNDER THIS SEC-
9 TION AND SECTION 268.

1 (2) THE CREDITS ALLOWED UNDER THIS SECTION AND SECTION 268
2 SHALL BE KNOWN AS THE HIGHER EDUCATION LEARNING PROMOTION (HELP)
3 CREDITS.

4 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
5 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
6 CREDIT THAT EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX
7 YEAR SHALL BE REFUNDED.

8 (4) TUITION USED TO CALCULATE A CREDIT UNDER SECTION 274
9 SHALL NOT BE USED TO CALCULATE A CREDIT UNDER THIS SECTION.

10 (5) AS USED IN THIS SECTION:

11 (A) "ELIGIBLE STUDENT" MEANS A STUDENT WHO MEETS ALL OF THE
12 FOLLOWING CRITERIA:

13 (i) IS A RESIDENT OF THIS STATE.

14 (ii) ATTENDS EITHER OF THE FOLLOWING THAT IS LOCATED IN THIS
15 STATE:

16 (A) A COMMUNITY COLLEGE ESTABLISHED PURSUANT TO SECTION 7 OF
17 ARTICLE VIII OF THE STATE CONSTITUTION OF 1963.

18 (B) A 4-YEAR INSTITUTION OF HIGHER EDUCATION THAT OFFERS AN
19 ASSOCIATE DEGREE PROGRAM IN THE TAX YEAR IN WHICH THE CREDIT
20 UNDER THIS SECTION IS CLAIMED AND OFFERED AN ASSOCIATE DEGREE
21 PROGRAM IN THE 1998-1999 ACADEMIC YEAR.

22 (iii) THE STUDENT'S TUITION PAYMENTS ARE ELIGIBLE FOR THE
23 CREDIT UNDER SECTION 25A OF THE INTERNAL REVENUE CODE FOR THE TAX
24 YEAR.

25 (iv) THE STUDENT'S TUITION PAYMENTS WERE USED AS THE BASIS
26 FOR A CREDIT CLAIMED UNDER SECTION 25A OF THE INTERNAL REVENUE
27 CODE FOR THE TAX YEAR.

1 (B) "INSTITUTION OF HIGHER EDUCATION" MEANS A PUBLIC COLLEGE
2 OR UNIVERSITY IN THIS STATE THAT OFFERS A DEGREE OR COURSE OF
3 STUDY BEYOND THE TWELFTH GRADE.

4 (C) "QUALIFIED TUITION AND FEES" MEANS AN ELIGIBLE STUDENT'S
5 TUITION THAT IS PAID FOR NOT MORE THAN A TOTAL OF 60 CREDITS FOR
6 ALL TAX YEARS FOR COURSE WORK THAT LEADS TO A DEGREE OR IS PART
7 OF A CERTIFICATION PROGRAM.