

SB 371, As Passed Senate, September 19, 2001

**SUBSTITUTE FOR
SENATE BILL NO. 371**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 274 (MCL 206.274), as amended by 1997 PA 82;
and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 274. (1) For ~~the 1995 tax year and each tax year~~
2 ~~after the 1995 tax year~~ TAX YEARS THAT BEGIN AFTER DECEMBER 31,
3 1994 AND BEFORE JANUARY 1, 2001 and subject to the limitations in
4 this section, a claimant who has adjusted gross income of
5 \$200,000.00 or less and who is a resident of this state may claim
6 a credit against the tax due under this act for fees and tuition
7 paid by the claimant on behalf of the claimant or any other stu-
8 dent to a qualified institution of higher learning.
9 (2) A claimant may claim a credit under this section equal
10 to the following amounts for the following periods:

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371 2

1 (a) For the 1995, 1996, and 1997 tax years, 4% of the sum of
2 all fees and tuition paid, not to exceed \$250.00 for each student
3 for each tax year.

4 (b) For ~~the 1998 tax year and each tax year after the 1998~~
5 ~~tax year~~ TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1997 AND BEFORE
6 JANUARY 1, 2001, 8.0% of the sum of all fees and tuition paid,
7 not to exceed \$375.00 for each student for each tax year.

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

10 (4) The credit under this section may be claimed on a sepa-
11 rate form exclusive of any other form required by this act.

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

15 (6) The department may promulgate rules pursuant to the
16 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
17 24.328, to implement this section.

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

21 (8) THE FOLLOWING APPROPRIATIONS ARE MADE FOR THE 2001-2002
22 STATE FISCAL YEAR AND SHALL BE ALLOCATED AS BASE FUNDING
23 INCREASES TO BE CARRIED OVER TO SUBSEQUENT FISCAL YEARS TO PRO-
24 VIDE INSTITUTIONS OF HIGHER EDUCATION AND COMMUNITY COLLEGES A
25 GREATER CAPACITY TO MODERATE TUITION CHARGES:

26 CENTRAL MICHIGAN UNIVERSITY..... \$ 1,460,946

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371

3

1	EASTERN MICHIGAN UNIVERSITY.....	\$	1,425,064
2	FERRIS STATE UNIVERSITY.....	\$	902,813
3	GRAND VALLEY STATE UNIVERSITY.....	\$	974,770
4	LAKE SUPERIOR STATE UNIVERSITY.....	\$	232,021
5	MICHIGAN STATE UNIVERSITY.....	\$	5,299,163
6	MICHIGAN TECHNOLOGICAL UNIVERSITY.....	\$	898,280
7	NORTHERN MICHIGAN UNIVERSITY.....	\$	845,779
8	OAKLAND UNIVERSITY.....	\$	850,313
9	SAGINAW VALLEY STATE UNIVERSITY.....	\$	444,628
10	UNIVERSITY OF MICHIGAN-ANN ARBOR.....	\$	5,910,265
11	UNIVERSITY OF MICHIGAN-DEARBORN.....	\$	455,034
12	UNIVERSITY OF MICHIGAN-FLINT.....	\$	391,370
13	WAYNE STATE UNIVERSITY.....	\$	4,124,506
14	WESTERN MICHIGAN UNIVERSITY.....	\$	2,043,632
15	GRANT FOR GENERAL DEGREE GRADUATES.....	\$	1,274,969
16	ALPENA COMMUNITY COLLEGE.....	\$	90,869
17	BAY DE NOC COMMUNITY COLLEGE.....	\$	112,375
18	DELTA COLLEGE.....	\$	227,253
19	GLEN OAKS COMMUNITY COLLEGE.....	\$	61,189
20	GOGEBIC COMMUNITY COLLEGE.....	\$	51,482
21	GRAND RAPIDS COMMUNITY COLLEGE.....	\$	184,489
22	HENRY FORD COMMUNITY COLLEGE.....	\$	481,326
23	JACKSON COMMUNITY COLLEGE.....	\$	139,821
24	KALAMAZOO VALLEY COMMUNITY COLLEGE.....	\$	324,287
25	KELLOGG COMMUNITY COLLEGE.....	\$	228,455
26	KIRTLAND COMMUNITY COLLEGE.....	\$	36,000

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371 4

1	LAKE MICHIGAN COLLEGE.....	\$	118,904
2	LANSING COMMUNITY COLLEGE.....	\$	616,198
3	MACOMB COMMUNITY COLLEGE.....	\$	414,285
4	MID MICHIGAN COMMUNITY COLLEGE.....	\$	99,100
5	MONROE COUNTY COMMUNITY COLLEGE.....	\$	98,056
6	MONTCALM COMMUNITY COLLEGE.....	\$	40,836
7	MOTT COMMUNITY COLLEGE.....	\$	266,436
8	MUSKEGON COMMUNITY COLLEGE.....	\$	140,427
9	NORTH CENTRAL MICHIGAN COLLEGE.....	\$	43,926
10	NORTHWESTERN MICHIGAN COLLEGE.....	\$	173,962
11	OAKLAND COMMUNITY COLLEGE.....	\$	214,733
12	ST. CLAIR COUNTY COMMUNITY COLLEGE.....	\$	93,954
13	SCHOOLCRAFT COLLEGE.....	\$	193,019
14	SOUTHWESTERN MICHIGAN COLLEGE.....	\$	149,785
15	WASHTENAW COMMUNITY COLLEGE.....	\$	355,277
16	WAYNE COUNTY COMMUNITY COLLEGE.....	\$	170,532
17	WEST SHORE COMMUNITY COLLEGE.....	\$	39,471

18 (9) IT IS THE INTENT OF THE LEGISLATURE THAT EACH COMMUNITY
19 COLLEGE AND UNIVERSITY THAT RECEIVES FUNDS PURSUANT TO THE APPRO-
20 PRIATION UNDER SUBSECTION (8) SHALL DISTRIBUTE THOSE FUNDS TO ALL
21 UNDERGRADUATE STUDENTS ENROLLED IN THAT COMMUNITY COLLEGE OR UNI-
22 VERSITY WHO PAID TUITION AND FEES FOR THE FALL 2001 ACADEMIC
23 SEMESTER OR TERM. THE DISTRIBUTION UNDER THIS SUBSECTION SHALL
24 BE ON A PER CAPITA BASIS TO STUDENTS ENROLLED FOR THE FALL 2001
25 ACADEMIC SEMESTER OR TERM.

26 (10) PRIOR TO THE RELEASE OF THE APPROPRIATION TO A
27 COMMUNITY COLLEGE OR UNIVERSITY UNDER SUBSECTION (8), THAT

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371

5

1 COMMUNITY COLLEGE OR UNIVERSITY SHALL CERTIFY IN WRITING TO THE
2 STATE BUDGET OFFICE THAT THE COMMUNITY COLLEGE OR UNIVERSITY WILL
3 DISTRIBUTE THOSE APPROPRIATED FUNDS TO UNDERGRADUATE STUDENTS
4 PURSUANT TO SUBSECTION (9) AND THAT THE DISTRIBUTION SHALL BE
5 MADE ON OR BEFORE DECEMBER 1, 2001. IF THE CERTIFICATION
6 REQUIRED UNDER THIS SUBSECTION IS NOT RECEIVED FROM A COMMUNITY
7 COLLEGE OR UNIVERSITY ON OR BEFORE OCTOBER 15, 2001, THE FUNDS
8 ALLOCATED FOR THAT COMMUNITY COLLEGE OR UNIVERSITY SHALL BE REAL-
9 LOCATED TO THOSE COMMUNITY COLLEGES AND UNIVERSITIES THAT COMPLY
10 WITH THE CERTIFICATION REQUIREMENT. THE AMOUNT TO BE DISTRIBUTED
11 TO EACH COMMUNITY COLLEGE AND UNIVERSITY SHALL BE BASED ON THE
12 SAME PERCENTAGE OF THE TOTAL TO BE REALLOCATED THAT THE COMMUNITY
13 COLLEGE OR UNIVERSITY RECEIVED OF THE TOTAL APPROPRIATION UNDER
14 SUBSECTION (8). THE STATE TREASURER SHALL RELEASE THE APPROPRIA-
15 TIONS UNDER SUBSECTION (8) TO INDIVIDUAL COMMUNITY COLLEGES AND
16 UNIVERSITIES NOT LATER THAN 10 DAYS AFTER THE STATE BUDGET OFFICE
17 RECEIVES THE CERTIFICATION REQUIRED UNDER THIS SUBSECTION FROM
18 THAT COMMUNITY COLLEGE OR UNIVERSITY. THE STATE TREASURER SHALL
19 RELEASE THE APPROPRIATION UNDER SUBSECTION (8) FOR THE GRANT FOR
20 GENERAL DEGREE GRADUATES WITHIN 10 DAYS AFTER THE EFFECTIVE DATE
21 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

22 (11) REALLOCATION OF FUNDS FROM COMMUNITY COLLEGES THAT
23 FAILED TO COMPLY WITH THE CERTIFICATION REQUIREMENTS UNDER SUB-
24 SECTION (10) SHALL BE TO COMMUNITY COLLEGES; AND REALLOCATION OF
25 FUNDS FROM UNIVERSITIES THAT FAILED TO COMPLY WITH THE CERTIFICA-
26 TION REQUIREMENTS UNDER SUBSECTION (10) SHALL BE TO
27 UNIVERSITIES.

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371

6

1 (12) ~~-(8)-~~ As used in this section:

2 (a) "Fees" means fees required of and uniformly paid by all
3 students and that have been promulgated and published in the cat-
4 alog of the qualified institution of higher learning.

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

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

9 (ii) The institution is located in this state.

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

12 (iv) For the 1995 tax year and ~~each tax year after the 1996~~
13 ~~tax year~~ FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 1996 AND
14 BEFORE JANUARY 1, 2001, the institution has provided a letter of
15 notification to the state treasurer before July 1 of the tax year
16 that states that the institution will not increase fees and
17 tuition rates during the ensuing academic year by more than the
18 annual average percentage increase in the United States consumer
19 price index in the immediately preceding tax year.

20 (v) For the 1996 tax year only, the institution has provided
21 a letter of notification to the state treasurer on or before
22 December 31, 1996 that states that the institution will not
23 increase fees and tuition rates during the 1996-1997 academic
24 year by more than 3% above the fees and tuition rates for the
25 1995-1996 academic year.

SB 371, As Passed Senate, September 19, 2001

Senate Bill No. 371

7

1 (c) "Tuition" means in-state tuition less any refunds of
2 tuition received by the claimant or student paid for any of the
3 following:

4 (i) Credits for an undergraduate degree program.

5 (ii) Credits granted by a community college or a 2-year pri-
6 vate college toward a degree program or granted for the purpose
7 of transferring those credits toward an undergraduate degree
8 program.

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

13 Enacting section 1. Section 405 of 2001 PA 52 is repealed.