

# SENATE BILL No. 324

March 14, 2001, Introduced by Senators HAMMERSTROM, YOUNG, NORTH,  
MC COTTER, BULLARD, BYRUM, JOHNSON and DUNASKISS and referred  
to the Committee on Finance.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 39d.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGINS AFTER DECEMBER 31,  
2 2000, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY  
3 THIS ACT EQUAL TO THE SUM OF THE FOLLOWING AMOUNTS:

4 (A) START-UP COSTS PAID BY THE TAXPAYER IN THE TAX YEAR TO  
5 INITIATE THE OPERATION OF A CHILD CARE CENTER BY THE TAXPAYER TO  
6 CARE FOR THE CHILDREN OF THE TAXPAYER'S EMPLOYEES IF THE CHILD  
7 CARE CENTER IS OPERATED BY THE TAXPAYER AND LICENSED UNDER 1973  
8 PA 116, MCL 722.111 TO 722.128.

9 (B) PAYMENTS FOR THE ELIGIBLE CHILD CARE OF THE CHILDREN OF  
10 THE TAXPAYER'S EMPLOYEES MADE BY THE TAXPAYER DURING THE TAX YEAR  
11 OR PAYMENTS MADE BY THE TAXPAYER TO THE TAXPAYER'S EMPLOYEES TO

1 REIMBURSE THOSE EMPLOYEES FOR PAYMENTS MADE FOR ELIGIBLE CHILD  
2 CARE FOR THEIR CHILDREN.

3 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX  
4 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS  
5 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,  
6 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
7 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
8 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,  
9 WHICHEVER OCCURS FIRST.

10 (3) AS USED IN THIS SECTION:

11 (A) "CHILD CARE CENTER", "DAY CARE CENTER", "FAMILY DAY CARE  
12 HOME", AND "GROUP DAY CARE HOME" MEAN THOSE TERMS AS DEFINED IN  
13 SECTION 1 OF 1973 PA 116, MCL 722.111.

14 (B) "ELIGIBLE CHILD CARE" MEANS CARE THAT MEETS BOTH OF THE  
15 FOLLOWING CRITERIA:

16 (i) IS PROVIDED DURING THE HOURS THAT THE TAXPAYER'S  
17 EMPLOYEE FOR WHOSE CHILD THE CARE IS PROVIDED IS WORKING FOR THE  
18 TAXPAYER.

19 (ii) IS PROVIDED IN A CHILD CARE CENTER, DAY CARE CENTER,  
20 FAMILY DAY CARE HOME, OR GROUP DAY CARE HOME THAT IS LICENSED OR  
21 REGISTERED UNDER 1973 PA 116, MCL 722.111 TO 722.128.

22 (C) "START-UP COSTS" MEANS ALL COSTS PAID OR ACCRUED FOR NEW  
23 CONSTRUCTION FOR A CHILD CARE CENTER, TO RENOVATE AS A CHILD CARE  
24 CENTER A SPACE THAT WAS NOT PREVIOUSLY A CHILD CARE CENTER, AND  
25 TO PROVIDE INITIAL SUPPLIES AND EQUIPMENT FOR A CHILD CARE CENTER  
26 CONSTRUCTED OR RENOVATED AS PROVIDED IN THIS SUBDIVISION THAT  
27 WILL PROVIDE ELIGIBLE CHILD CARE AND THAT ARE PAID OR ACCRUED BY

1 THE TAXPAYER BEFORE THE CHILD CARE CENTER BEGINS CARING FOR  
2 CHILDREN.