

Legislative Analysis



FOOD PROCESSORS: APPRENTICE CREDIT

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 223 as passed by the Senate

Sponsor: Sen. Ron Jelinek

House Committee: Agriculture

Senate Committee: Agriculture, Forestry and Tourism

Complete to 5-2-05

A SUMMARY OF SENATE BILL 223 AS PASSED BY THE SENATE 3-15-05

The bill would amend the Single Business Tax Act to provide taxpayers with certain classifications under the North American Industrial Classification System (NAICS) with a refundable credit against the tax up to \$4,000 for each apprentice trained by the taxpayer in the tax year. The actual credit would be equal to the sum of the following: (1) one-half of salary, wages, fringe benefits, and other payroll expenses paid to or for the benefit of the apprentice; and (2) the costs of classroom instruction and related expenses for which the taxpayer is responsible under an apprenticeship agreement.

(Currently, the act generally allows a maximum \$2,000 apprenticeship credit. However, a \$4,000 maximum credit is already available to tool and die companies. With a "refundable" credit, if the amount of credit exceeds taxpayer liability, the excess is refunded to the taxpayer.)

To claim the credit, the taxpayer has to have any of the following classifications under the North American Industrial Classification System:

Classification Number	Industry and Product Description
311111	Manufacturing dog and cat food from ingredients, such as grains, oilseed mill products, and meat products
311119	Manufacturing animal food (except for dogs and cats) from ingredients, such as grains, oilseed mill products, and meat products
311211	Milling flour from grains or milling flour for preparing mixes and doughs
311212	Milling or cleaning and polishing rice
311213	Manufacturing malt from barley, rye, or other grains
311221	Wet milling corn
311222	Crushing soybeans
311223	Crushing oilseeds (except soybeans) and tree nuts
311225	Manufacturing shortening and margarine from purchased fats and oils; refining and/or blending vegetable, oilseed, and tree nut oils from purchased oils; and blending purchased animal fats with purchased vegetable fats

311230	Manufacturing breakfast cereal foods
311313	Manufacturing refined beet sugar
311320	Shelling, roasting, and grinding cacao beans and making chocolate cacao products and chocolate confectioneries
311330	Manufacturing chocolate confectioneries from purchased chocolate
311340	Manufacturing non-chocolate confectioneries.
311411	Manufacturing frozen fruits; frozen vegetables; and frozen fruit juices, ades, drinks, cocktail mixes, and concentrates
311412	Manufacturing frozen specialty foods (except seafood), such as frozen dinners, entrees, and side dishes; frozen pizza; frozen whipped topping; and frozen waffles, pancakes, and french toast
311421	Manufacturing canned, pickled, and brined fruits and vegetables
311422	Manufacturing canned specialty foods
311423	Drying and/or dehydrating fruits, vegetables, and soup mixes and bouillon and/or drying and/or dehydrating ingredients and packaging them with other purchased ingredients, such as rice and dry pasta
311511	Manufacturing processed milk products or fluid milk dairy substitutes from soybeans and other nondairy substances
311512	Manufacturing creamery butter from milk and/or processed milk products.
311513	Manufacturing cheese products (except cottage cheese) from raw milk and/or processed milk products and/or manufacturing cheese substitutes from soybean and other nondairy substances
311514	Manufacturing dry, condensed, and evaporated milk and dairy substitute products
311520	Manufacturing ice cream, frozen yogurts, frozen ices, sherbets, frozen tofu, and other frozen desserts (except bakery products)
311611	Slaughtering animals (except poultry and small game)
311612	Processing or preserving meat and meat byproducts (except poultry and small game) from purchased meats
311613	Rendering animal fat, bones, and meat scraps.
311615	Slaughtering poultry and small game and/or preparing processed poultry and small game meat and meat byproducts
311711	Canning seafood (including soup) and marine fats and oils and/or smoking, salting, and drying seafood
311712	Eviscerating fresh fish by removing heads, fins, scales, bones, and entrails; shucking and packing fresh shellfish; manufacturing frozen seafood; and/or processing fresh and frozen marine fats and oils
311813	Manufacturing frozen bakery products (except bread)
311821	Manufacturing cookies, crackers, and other products
311822	Manufacturing prepared flour mixes or dough mixes from purchased flour
311823	Manufacturing dry pasta
311911	Salting, roasting, drying, cooking, or canning nuts; processing grains or seeds into snacks; and/or manufacturing peanut butter.

311919	Manufacturing snack foods (except roasted nuts and peanut butter)
311920	Roasting coffee; manufacturing coffee and tea concentrates; blending tea; manufacturing herbal tea; and/or manufacturing coffee extracts, flavorings, and syrups.
311930	Manufacturing flavoring syrup drink concentrates and related products for soda fountain use or for the manufacture of soft drinks
311941	Manufacturing mayonnaise, salad dressing, vinegar, mustard, horseradish, soy sauce, tarter sauce, Worcestershire sauce, and other prepared sauces (except tomato-based and gravy)
311942	Manufacturing spices, table salt, seasonings, flavoring extracts (except coffee and meat), and natural food colorings and/or manufacturing dry mix food preparations
311999	Manufacturing food (except animal food; grain and oilseed milling; sugar and confectionery products; preserved fruits, vegetables, and specialties; dairy products; meat products; seafood products; bakeries and tortillas; snack foods; coffee and tea; flavoring syrups and concentrates; seasonings and dressings; and perishable prepared food)

FISCAL IMPACT:

The bill would reduce Single Business Tax revenue, all of which is General Fund/General Purpose revenue, by less than an estimated \$100,000. The bill would have no direct fiscal impact on local units of government.

Legislative Analyst: Mark Wolf
Fiscal Analyst: Rebecca Ross

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.