

SUBSTITUTE FOR
HOUSE BILL NO. 6282

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 461. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2008, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO THE SUM OF 50% OF THE QUALIFIED EXPENSES DEFINED IN
4 SUBSECTION (4) (E) (i) AND (ii) AND 100% OF THE QUALIFIED EXPENSES
5 DEFINED IN SUBSECTION (4) (E) (iii) PAID BY THE TAXPAYER IN THE TAX
6 YEAR IN EACH OF THE FOLLOWING CIRCUMSTANCES:

7 (A) EXCEPT FOR APPRENTICES TRAINED UNDER SUBDIVISION (B) OR
8 (C), AN AMOUNT NOT TO EXCEED \$2,000.00 FOR EACH APPRENTICE TRAINED
9 BY THE TAXPAYER IN THE TAX YEAR.

10 (B) FOR COMPANIES THAT HAVE A CLASSIFICATION UNDER THE NORTH

1 AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) OF 333511,
2 333512, 333513, 333514, OR 333515, AN AMOUNT NOT TO EXCEED
3 \$4,000.00 FOR EACH APPRENTICE TRAINED BY THE TAXPAYER IN THE TAX
4 YEAR.

5 (C) FOR COMPANIES THAT HAVE A CLASSIFICATION UNDER THE NORTH
6 AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) OF 333511,
7 333512, 333513, 333514, OR 333515, AN AMOUNT NOT TO EXCEED
8 \$1,000.00 FOR EACH SPECIAL APPRENTICE TRAINED BY THE TAXPAYER IN
9 THE TAX YEAR.

10 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
11 LIABILITY OF THE TAXPAYER UNDER THIS ACT FOR THE TAX YEAR, THAT
12 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
13 REFUNDED.

14 (3) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON
15 THE ANNUAL RETURN REQUIRED UNDER SECTION 505, OR FOR A TAXPAYER
16 THAT IS NOT REQUIRED TO FILE AN ANNUAL RETURN, THE DEPARTMENT SHALL
17 PROVIDE THAT THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED ON THE
18 C-8044 FORM, A SUCCESSOR FORM FOR PERSONS NOT REQUIRED TO FILE AN
19 ANNUAL RETURN, OR OTHER SIMPLIFIED FORM PRESCRIBED BY THE
20 DEPARTMENT.

21 (4) AS USED IN THIS SECTION:

22 (A) "APPRENTICE" MEANS A PERSON WHO IS A RESIDENT OF THIS
23 STATE, IS 16 YEARS OF AGE OR OLDER BUT YOUNGER THAN 20 YEARS OF
24 AGE, HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA, IS ENROLLED IN HIGH
25 SCHOOL OR A GENERAL EDUCATION DEVELOPMENT (G.E.D.) TEST PREPARATION
26 PROGRAM, AND IS TRAINED BY A TAXPAYER THROUGH A PROGRAM THAT MEETS
27 ALL OF THE FOLLOWING CRITERIA:

1 (i) THE PROGRAM IS REGISTERED WITH THE OFFICE OF APPRENTICESHIP
2 IN THE UNITED STATES DEPARTMENT OF LABOR.

3 (ii) THE PROGRAM IS PROVIDED PURSUANT TO AN APPRENTICESHIP
4 AGREEMENT SIGNED BY THE TAXPAYER AND THE APPRENTICE.

5 (iii) THE PROGRAM IS FILED WITH A LOCAL WORKFORCE INVESTMENT
6 BOARD.

7 (iv) THE MINIMUM TERM IN HOURS FOR THE PROGRAM SHALL BE NOT
8 LESS THAN 4,000 HOURS.

9 (B) "ENROLLED" MEANS CURRENTLY ENROLLED OR EXPECTING TO ENROLL
10 AFTER A PERIOD OF LESS THAN 3 MONTHS DURING WHICH THE PROGRAM IS
11 NOT IN OPERATION AND THE APPRENTICE IS NOT ENROLLED.

12 (C) "LOCAL WORKFORCE INVESTMENT BOARD" MEANS A BOARD
13 ESTABLISHED BY THE CHIEF ELECTED OFFICIAL OF A LOCAL UNIT OF
14 GOVERNMENT PURSUANT TO THE WORKFORCE INVESTMENT ACT OF 1998, 29 USC
15 2801 TO 2945, THAT HAS THE RESPONSIBILITY TO ENSURE THAT THE
16 WORKFORCE NEEDS OF THE EMPLOYERS IN THE GEOGRAPHIC AREA GOVERNED BY
17 THE LOCAL UNIT OF GOVERNMENT ARE MET.

18 (D) "NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS)"
19 MEANS THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM, 2002 AS
20 PRODUCED BY THE UNITED STATES OFFICE OF MANAGEMENT AND BUDGET.

21 (E) "QUALIFIED EXPENSES" MEANS ALL OF THE FOLLOWING EXPENSES
22 PAID BY THE TAXPAYER IN A TAX YEAR FOR EXPENSES USED TO CALCULATE A
23 CREDIT UNDER SUBSECTION (1) (A) AND FOR EXPENSES USED TO CALCULATE A
24 CREDIT UNDER SUBSECTION (1) (B) THAT WERE NOT PAID FOR WITH FUNDS
25 THE TAXPAYER RECEIVED OR RETAINED THAT THE TAXPAYER WOULD NOT
26 OTHERWISE HAVE RECEIVED OR RETAINED AND THAT ARE USED FOR TRAINING
27 AN APPRENTICE:

1 (i) SALARY AND WAGES PAID TO AN APPRENTICE.

2 (ii) FRINGE BENEFITS AND OTHER PAYROLL EXPENSES PAID FOR THE
3 BENEFIT OF AN APPRENTICE.

4 (iii) COSTS OF CLASSROOM INSTRUCTION AND RELATED EXPENSES
5 IDENTIFIED AS COSTS FOR WHICH THE TAXPAYER IS RESPONSIBLE UNDER AN
6 APPRENTICESHIP AGREEMENT, INCLUDING BUT NOT LIMITED TO TUITION,
7 FEES, AND BOOKS FOR COLLEGE LEVEL COURSES TAKEN WHILE THE
8 APPRENTICE IS ENROLLED IN HIGH SCHOOL.

9 (F) "SPECIAL APPRENTICE" MEANS A PERSON WHO IS NOT AN
10 APPRENTICE AS DEFINED BY SUBDIVISION (A), IS A RESIDENT OF THIS
11 STATE, IS 16 YEARS OF AGE OR OLDER BUT YOUNGER THAN 25 YEARS OF
12 AGE, AND IS TRAINED BY A TAXPAYER THROUGH A PROGRAM THAT MEETS ALL
13 OF THE CRITERIA UNDER SUBDIVISION (A) (i) TO (iv) .