

# HOUSE BILL No. 5769

July 18, 2012, Introduced by Reps. Ananich, Dillon, Cavanagh, Townsend, Hammel and Tlaib and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending the title and section 272 (MCL 206.272), as amended by 2011 PA 38, and by adding section 272a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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TITLE

An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; **TO MAKE CERTAIN GRANTS;** to prescribe penalties for the violation of this

1 act; to provide an appropriation; and to repeal certain acts and  
2 parts of acts.

3       Sec. 272. (1) For the following tax years that begin after  
4 December 31, 2007, a taxpayer may credit against the tax imposed by  
5 this act an amount equal to the specified percentages of the credit  
6 the taxpayer is allowed to claim as a credit under section 32 of  
7 the internal revenue code for a tax year on a return filed under  
8 this act for the same tax year:

9       (a) For tax years that begin after December 31, 2007 and  
10 before January 1, 2009, 10%.

11       (b) For tax years that begin after December 31, 2008, ~~and~~  
12 ~~before January 1, 2012,~~ 20%.

13 ~~(c) For tax years that begin after December 31, 2011, 6%.~~

14       (2) If the credit allowed by this section exceeds the tax  
15 liability of the taxpayer for the tax year, the state treasurer  
16 shall refund the excess to the taxpayer without interest, except as  
17 provided in section 30 of 1941 PA 122, MCL 205.30.

18       **SEC. 272A. (1) THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER A**  
19 **REFUNDABLE EARNED INCOME TAX MATCHING GRANT PROGRAM TO PROVIDE**  
20 **INCENTIVES FOR QUALIFIED TAXPAYERS TO BUILD SAVINGS AND ACCRUE**  
21 **ASSETS. SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS SECTION, THE**  
22 **PROGRAM SHALL PROVIDE UP TO A 50% MATCH OF THE FUNDS DIRECTLY**  
23 **DEPOSITED INTO A QUALIFIED SAVINGS ACCOUNT FOR EACH QUALIFIED**  
24 **TAXPAYER WHO DIRECTS AT LEAST \$50.00 OF HIS OR HER INCOME TAX**  
25 **REFUND TO BE DEPOSITED INTO A QUALIFIED SAVINGS ACCOUNT AND KEEPS**  
26 **AT LEAST \$50.00 OF THAT MONEY WITHIN THAT ACCOUNT FOR A MINIMUM OF**  
27 **1 YEAR. THE GRANT UNDER THIS PROGRAM SHALL NOT EXCEED \$150.00 PER**

1 TAXPAYER PER TAX YEAR, OR FOR A HUSBAND AND WIFE FILING A JOINT  
2 RETURN AS PROVIDED IN SECTION 311, \$300.00.

3 (2) THE LEGISLATURE SHALL ANNUALLY APPROPRIATE A SUM  
4 SUFFICIENT TO IMPLEMENT THIS PROGRAM.

5 (3) AS USED IN THIS SECTION:

6 (A) "QUALIFIED SAVINGS ACCOUNT" MEANS ANY TYPE OF SAVINGS  
7 ACCOUNT CONSIDERED APPROPRIATE BY THE DEPARTMENT FOR PURPOSES OF  
8 THIS PROGRAM.

9 (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT CLAIMS A CREDIT  
10 UNDER SECTION 272 FOR THE SAME TAX YEAR, OR THE TAX YEAR  
11 IMMEDIATELY PRECEDING THE SAME TAX YEAR, FOR WHICH THE TAXPAYER IS  
12 SEEKING A MATCHING GRANT UNDER THIS PROGRAM.