

HOUSE BILL No. 4083

January 13, 2011, Introduced by Rep. Slavens and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 279.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 279. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3),
2 FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2009, A QUALIFIED
3 TAXPAYER THAT HAS RECEIVED A CERTIFICATE FROM THE DEPARTMENT
4 SPECIFYING THE AMOUNT OF THE MICHIGAN PROMISE CREDIT THAT THE
5 TAXPAYER IS ELIGIBLE TO RECEIVE MAY CLAIM A CREDIT AGAINST THE TAX
6 IMPOSED BY THIS ACT EQUAL TO \$4,000.00 LESS THE AMOUNT OF ANY
7 PAYMENT RECEIVED BY THE TAXPAYER UNDER THE MICHIGAN PROMISE GRANT
8 ACT, 2006 PA 479, MCL 390.1621 TO 390.1628. THE DEPARTMENT MAY
9 DETERMINE PROCEDURES NECESSARY FOR ISSUING CERTIFICATES AND
10 PROVIDING CREDITS UNDER THIS SECTION.

1 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
2 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
3 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
4 REFUNDED.

5 (3) NOTWITHSTANDING SUBSECTIONS (1) AND (2), IF A PROMISE ZONE
6 AUTHORITY FORMED UNDER THE MICHIGAN PROMISE ZONE AUTHORITY ACT,
7 2008 PA 549, MCL 390.1661 TO 390.1679, PRESENTS CERTIFICATION ON A
8 PROPERLY COMPLETED FORM PRESCRIBED BY THE DEPARTMENT THAT THE
9 QUALIFIED TAXPAYER HAS AUTHORIZED THE PROMISE ZONE AUTHORITY TO
10 RECEIVE THE MICHIGAN PROMISE CREDIT UNDER THIS SECTION INSTEAD OF
11 THE TAXPAYER, THEN THE QUALIFIED TAXPAYER AT THE TIME OF FILING A
12 RETURN SHALL NOT CLAIM THE MICHIGAN PROMISE CREDIT ON HIS OR HER
13 RETURN BUT INSTEAD THE CREDIT UNDER THIS SECTION SHALL BE
14 CALCULATED BY THE DEPARTMENT AND PAID TO THE PROMISE ZONE
15 AUTHORITY.

16 (4) AS USED IN THIS SECTION:

17 (A) "APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS ANY
18 OF THE FOLLOWING:

19 (i) A PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY, JUNIOR COLLEGE,
20 OR COMMUNITY COLLEGE THAT GRANTS DEGREES OR CERTIFICATES AND IS
21 LOCATED IN THIS STATE.

22 (ii) A POSTSECONDARY EDUCATIONAL INSTITUTION, OTHER THAN AN
23 EDUCATIONAL INSTITUTION DESCRIBED IN SUBPARAGRAPH (i), THAT IS
24 LOCATED IN THIS STATE, GRANTS DEGREES, CERTIFICATES, OR OTHER
25 RECOGNIZED CREDENTIALS, AND IS DESIGNATED BY THE DEPARTMENT AS AN
26 APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION.

27 (B) "HIGH SCHOOL GRADUATE" MEANS AN INDIVIDUAL WHO HAS

1 RECEIVED A HIGH SCHOOL DIPLOMA FROM A HIGH SCHOOL OR PASSED THE
2 GENERAL EDUCATIONAL DEVELOPMENT (GED) DIPLOMA TEST OR ANY OTHER
3 HIGH SCHOOL GRADUATE EQUIVALENCY EXAMINATION APPROVED BY THE STATE
4 BOARD OF EDUCATION.

5 (C) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WHO COMPLIES WITH
6 ALL OF THE FOLLOWING:

7 (i) HAS BECOME A HIGH SCHOOL GRADUATE AFTER 2006.

8 (ii) AFTER 2008 WAS AWARDED AN ASSOCIATE DEGREE OR A 2-YEAR
9 CERTIFICATE OF COMPLETION IN A VOCATIONAL TRAINING PROGRAM AT AN
10 APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION, COMPLETED A
11 COMPARABLE VOCATIONAL EDUCATION PROGRAM APPROVED BY THE DEPARTMENT
12 AT AN APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION, OR AWARDED A
13 BACHELOR'S DEGREE AT AN APPROVED POSTSECONDARY EDUCATIONAL
14 INSTITUTION WITHIN 10 YEARS OF HIS OR HER INITIAL ENROLLMENT IN AN
15 APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION.

16 (iii) IS NOT ELIGIBLE TO BE CLAIMED AS A DEPENDENT ON ANOTHER
17 TAXPAYER'S RETURN FOR THE TAX YEAR.

18 (iv) IS A FULL-YEAR RESIDENT OF THIS STATE FOR THE TAX YEAR
19 FOLLOWING THE YEAR IN WHICH THE TAXPAYER MET THE REQUIREMENT OF
20 SUBPARAGRAPH (ii) .

21 (v) HAS RECEIVED COMPENSATION SUBJECT TO WITHHOLDING UNDER
22 THIS ACT OR FROM SELF-EMPLOYMENT, AS A PARTNER IN A PARTNERSHIP OR
23 SHAREHOLDER IN A SUBCHAPTER S CORPORATION IN THE TAX YEAR FOLLOWING
24 THE YEAR IN WHICH THE TAXPAYER MET THE REQUIREMENT OF SUBPARAGRAPH
25 (ii) .