

**SUBSTITUTE FOR
HOUSE BILL NO. 6070**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 715.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 715. (1) Subject to the limitations under this section,
2 for tax years beginning on and after January 1, 2023, a qualified
3 employer that voluntarily provides paid adoption leave to its
4 employees may claim a credit against the taxes required to be
5 withheld and remitted to this state under this chapter in an amount
6 equal to 50% of the wages paid to each qualified employee during
7 any period during the tax year in which the qualified employee is
8 on adoption leave. The maximum amount of credit allowed per
9 qualified employee for a single adoption leave period is \$4,000.00.



1 The maximum amount of leave with respect to any qualified employee
2 for which a credit may be claimed under this section must not
3 exceed 12 weeks. Any adoption leave that is paid by this state or a
4 political subdivision of this state or that is required to be paid
5 by law must not be included in determining the amount of the credit
6 under this section for wages paid to a qualified employee for
7 adoption leave.

8 (2) A qualified employer claiming a credit under this section
9 against the withholdings tax payments made under this chapter
10 shall, in form and content as prescribed by the department, claim
11 the credit allowed under this section on the annual return required
12 under section 711 for that same calendar year.

13 (3) As used in this section:

14 (a) "Adoption leave" means a period of absence related to the
15 adoption of a child by the employee to provide time for bonding and
16 adjustments immediately after placement of that child with the
17 employee.

18 (b) "Qualified employee" means an individual who has been
19 employed by the employer for at least 1 year, and for the preceding
20 year had compensation that does not exceed 60% of the amount
21 applicable for highly compensated employees under section
22 414(q) (1) (B) of the internal revenue code for that same year.

23 (c) "Qualified employer" means an employer that has a written
24 policy offering adoption leave that satisfies both of the
25 following:

26 (i) Provides at least 2 weeks of paid adoption leave for each
27 full-time qualified employee and a proportionate amount of adoption
28 leave for each part-time qualified employee.

29 (ii) The rate of payment for adoption leave is not less than



1 50% of the wages normally paid to that same employee for services
2 performed for the employer.

3 (d) "Wages" means that term as defined in section 3306(b) of
4 the internal revenue code.