

HOUSE BILL No. 5537

February 19, 1992, Introduced by Reps. Owen, Bartnik, Webb, DeMars, Pitoniak, Dobronski, Anthony, Baade, Clarke, Richard A. Young, Mathieu, Gnodtke, Randall, Bobier, Hoekman, Bender, Walberg, Martin, Goss, Shugars, Bankes, Jaye, Power, Joe Young, Sr., Bennett, Scott, O'Connor, Harrison, Stallworth, Gubow, Murphy, Harder, Hollister, Porreca, Barns, DeBeaussaert, Hickner, Hood, Jacobetti, Yokich, Varga, Joe Young, Jr., Byrum, Griffin, Gagliardi, Kosteva, Bennane, Wallace and Gire and referred to the Committee on Taxation.

A bill to amend Act No. 228 of the Public Acts of 1975,
entitled

"Single business tax act,"

as amended, being sections 208.1 to 208.145 of the Michigan
Compiled Laws, by adding section 39b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 39b to read as follows:

4 SEC. 39B. (1) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER
5 1993, A TAXPAYER THAT IS A QUALIFIED EMPLOYER MAY CLAIM A CREDIT
6 AGAINST THE TAX IMPOSED BY THIS ACT FOR A TAXABLE YEAR EQUAL TO
7 THE SUM OF THE FOLLOWING:

8 (A) 40% OF THE FIRST \$10,000.00 IN WAGES OR COMPENSATION
9 PAID TO EACH HANDICAPPED EMPLOYEE IN THE TAXABLE YEAR.

1 (B) 100% OF THE INCREASE IN WORKER'S COMPENSATION PAYMENTS
2 PAID DURING THE TAXABLE YEAR AS A RESULT OF HIRING A HANDICAPPED
3 EMPLOYEE THAT IS DUE TO THE HANDICAPPING CONDITION OF THE
4 EMPLOYEE.

5 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
6 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS
7 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAXABLE YEAR,
8 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAXABLE YEAR
9 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
10 LIABILITY IN SUBSEQUENT TAX YEARS FOR 5 YEARS OR UNTIL USED UP,
11 WHICHEVER OCCURS FIRST.

12 (3) IF A QUALIFIED EMPLOYER DISCONTINUES THE EMPLOYMENT OF A
13 HANDICAPPED EMPLOYEE AFTER RECEIVING A CREDIT UNDER THIS SECTION
14 FOR WAGES PAID TO THAT EMPLOYEE, ALL CARRIED FORWARD CREDITS
15 BASED ON WAGES PAID TO THAT TERMINATED HANDICAPPED EMPLOYEE SHALL
16 BE FORFEITED.

17 (4) AS USED IN THIS SECTION:

18 (A) "HANDICAPPED EMPLOYEE" MEANS AN INDIVIDUAL WHO HAS
19 MENTAL RETARDATION OR A PHYSICAL IMPAIRMENT THAT LIMITS THE
20 INDIVIDUAL'S ABILITY TO PERFORM BASIC LIFE ACTIVITIES, IS CERTI-
21 FIED BY THE COMMUNITY MENTAL HEALTH CENTER OF THE COUNTY IN WHICH
22 THE INDIVIDUAL RESIDES AS A HANDICAPPED EMPLOYEE FOR PURPOSES OF
23 THE CREDIT UNDER THIS SECTION, AND IS EMPLOYED BY A QUALIFIED
24 EMPLOYER.

25 (B) "INTEGRATED WORK SETTING" MEANS A WORK SETTING WHERE
26 HANDICAPPED WORKERS ARE PHYSICALLY PLACED IN THE WORKPLACE TO

1 ENABLE FREQUENT SOCIAL INTERACTION DURING THE WORK DAY WITH
2 INDIVIDUALS WHO ARE NOT HANDICAPPED OR PAID CAREGIVERS.

3 (C) "MENTAL RETARDATION" MEANS SIGNIFICANTLY SUBAVERAGE GEN-
4 ERAL INTELLECTUAL FUNCTIONING ACCOMPANIED BY SIGNIFICANT DEFICITS
5 OR IMPAIRMENTS IN ADAPTIVE FUNCTIONING WITH ONSET BEFORE THE AGE
6 OF 18. AS USED IN THIS SUBDIVISION, "SIGNIFICANTLY SUBAVERAGE
7 GENERAL INTELLECTUAL FUNCTIONING" MEANS AN IQ OF 70 OR BELOW ON
8 AN INDIVIDUALLY ADMINISTERED IQ TEST OR FOR INFANTS, A DETERMINA-
9 TION BASED ON CLINICAL JUDGMENT.

10 (D) "QUALIFIED EMPLOYER" MEANS A TAXPAYER THAT MEETS ALL OF
11 THE FOLLOWING CRITERIA:

12 (i) EMPLOYS A HANDICAPPED EMPLOYEE IN AN INTEGRATED WORK
13 SETTING.

14 (ii) HAS A TARGETED JOBS TAX CREDIT CERTIFICATION FOR EACH
15 HANDICAPPED EMPLOYEE WHOSE WAGES ARE USED TO CALCULATE A CREDIT
16 UNDER THIS SECTION.

17 (iii) PAYS AT LEAST THE MINIMUM WAGE AS DETERMINED PURSUANT
18 TO THE MINIMUM WAGE LAW OF 1964, ACT NO. 154 OF THE PUBLIC ACTS
19 OF 1964, BEING SECTIONS 408.381 TO 408.398 OF THE MICHIGAN
20 COMPILED LAWS, TO EACH HANDICAPPED EMPLOYEE WHOSE WAGES ARE USED
21 TO CALCULATE A CREDIT UNDER THIS SECTION.