



# SENATE BILL No. 663

May 27, 1993, Introduced by Senator HOFFMAN and  
referred to the Committee on Finance.

A bill to amend Act No. 281 of the Public Acts of 1967,  
entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan  
Compiled Laws, by adding section 265.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 281 of the Public Acts of 1967, as  
2 amended, being sections 206.1 to 206.532 of the Michigan Compiled  
3 Laws, is amended by adding section 265 to read as follows:

4 SEC. 265. (1) FOR THE 1991 TAX YEAR AND EACH TAX YEAR AFTER  
5 1991, A TAXPAYER MAY CREDIT AGAINST THE TAX IMPOSED BY THIS ACT  
6 FOR THE TAX YEAR AN AMOUNT EQUAL TO THE TAX PAID IN ANY PRIOR TAX  
7 YEAR ATTRIBUTABLE TO INCOME RECEIVED BY THE TAXPAYER IN ANY PRIOR  
8 TAX YEAR AND REPAID BY THE TAXPAYER DURING THE TAX YEAR IF THE  
9 TAXPAYER IS ELIGIBLE FOR A DEDUCTION OR CREDIT AGAINST HIS OR HER

1 FEDERAL TAX LIABILITY PURSUANT TO SECTION 1341 OF THE INTERNAL  
2 REVENUE CODE BASED ON THE REPAYMENT FOR THE TAX YEAR. A CREDIT  
3 UNDER THIS SECTION FOR A TAX YEAR IS ALLOWED ONLY IF THE REPAY-  
4 MENT FOR WHICH A DEDUCTION OR CREDIT WAS TAKEN PURSUANT TO  
5 SECTION 1341 OF THE INTERNAL REVENUE CODE IS NOT DEDUCTED IN CAL-  
6 CULATING THE TAXPAYER'S ADJUSTED GROSS INCOME FOR THE TAX YEAR.  
7 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
8 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE  
9 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.