



HOUSE BILL No. 4428

February 16, 1995, Introduced by Reps. Olshove, Goschka, Leland, DeHart, Baade, Hanley, Pitoniak, DeMars, Anthony, Stallworth, LaForge, Baird and Brewer and referred to the Committee on Tax Policy.

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 266.

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 266 to read as follows:

4 SEC. 266. (1) FOR THE 1995 TAX YEAR AND EACH TAX YEAR AFTER
5 1995, IF A TAXPAYER CLAIMS A CREDIT FOR HOUSEHOLD AND DEPENDENT
6 CARE SERVICES UNDER SECTION 21 OF THE INTERNAL REVENUE CODE ON
7 HIS OR HER FEDERAL TAX RETURN, THE TAXPAYER MAY CLAIM A CREDIT ON
8 HIS OR HER RETURN AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO
9 THE AMOUNT SPENT IN THE TAX YEAR ON EMPLOYMENT-RELATED EXPENSES

1 AS DEFINED IN SECTION 21 OF THE INTERNAL REVENUE CODE OR THE
2 MAXIMUM CREDIT AMOUNT ALLOWED UNDER THAT SECTION, WHICHEVER IS
3 LESS.

4 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
5 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
6 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.