



HOUSE BILL No. 5626

February 27, 1996, Introduced by Reps. Hanley, Price, DeMars, LaForge, Brater, Parks, Cherry, DeHart, Martinez, Kilpatrick, Brewer, Goschka, Freeman and Pitoniak and referred to the Committee on Tax Policy.

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 38d.

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 38d to read as follows:
4 SEC. 38D. (1) FOR TAX YEARS BEGINNING AFTER DECEMBER 31,
5 1995, IF A TAXPAYER HAS AN AVERAGE OF 25 OR FEWER EMPLOYEES
6 DURING THE TAX YEAR, THE TAXPAYER MAY CLAIM AS A CREDIT AGAINST
7 THE TAX IMPOSED BY THIS ACT FOR THE TAX YEAR AN AMOUNT NOT TO
8 EXCEED \$50.00 PER CHILD PER WEEK, SUBJECT TO SUBSECTION (2), FOR

1 WHOM THE COST OF CARE DOES NOT EXCEED \$75.00 PER CHILD PER WEEK
2 CALCULATED BY ADDING THE FOLLOWING:

3 (A) COSTS INCURRED BY THE TAXPAYER TO PROVIDE CARE FOR CHIL-
4 DREN OF EMPLOYEES OF THE TAXPAYER AT A CHILD CARE ORGANIZATION
5 OPERATED BY THE TAXPAYER AND LICENSED OR REGISTERED UNDER ACT
6 NO. 116 OF THE PUBLIC ACTS OF 1973, BEING SECTIONS 722.111 TO
7 722.128 OF THE MICHIGAN COMPILED LAWS.

8 (B) PAYMENTS MADE BY THE TAXPAYER TO A CHILD CARE ORGANIZA-
9 TION LICENSED OR REGISTERED UNDER ACT NO. 116 OF THE PUBLIC ACTS
10 OF 1973 TO COMPENSATE THE CHILD CARE ORGANIZATION FOR THE CARE OF
11 CHILDREN OF EMPLOYEES OF THE TAXPAYER.

12 (2) FOR EMPLOYEES WHO WORK LESS THAN 40 HOURS PER WEEK, THE
13 MAXIMUM AMOUNT OF THE CREDIT SHALL BE PRORATED BASED ON THE PER-
14 CENTAGE OF A 40-HOUR WORKWEEK THAT THE EMPLOYEE IS SCHEDULED TO
15 WORK.

16 (3) COSTS INCURRED OR PAYMENTS MADE BY A TAXPAYER UNDER
17 SUBSECTION (1) DO NOT QUALIFY FOR A CREDIT UNDER THIS SECTION TO
18 THE EXTENT THAT THE TAXPAYER IS REIMBURSED FOR THE COSTS OR PAY-
19 MENTS THROUGH A SALARY REDUCTION PLAN.

20 Section 2. This amendatory act shall not take effect unless
21 Senate Bill No. _____ or House Bill No. _____ (request
22 no. 00135'95) of the 88th Legislature is enacted into law.