



# SENATE BILL No. 156

January 31, 1995, Introduced by Senators ROGERS, SCHUETTE, STEIL, BOUCHARD, NORTH, CISKY and SHUGARS and referred to the Committee on Finance.

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 37c.

**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 37c to read as follows:

4 SEC. 37C. (1) FOR TAX YEARS BEGINNING AFTER DECEMBER 31,  
5 1994, A TAXPAYER WHO IS AN EMPLOYER MAY CREDIT AGAINST THE TAX  
6 IMPOSED BY THIS ACT AN AMOUNT EQUAL TO THE GROSS PAYROLL OF ALL  
7 NEW EMPLOYEES HIRED IN THE TAX YEAR MULTIPLIED BY THE EFFECTIVE  
8 TAX RATE.

1           (2) IF ANY NEW JOB ON WHICH THE CREDIT UNDER THIS SECTION IS  
2 BASED IS ELIMINATED WITHIN 5 YEARS AFTER THE JOB WAS CREATED AND  
3 WITHIN 5 YEARS AFTER THE TAX YEAR IN WHICH THE TAX CREDIT WAS  
4 CLAIMED, THE AMOUNT OF THE CREDIT CLAIMED IN THE TAX YEAR IN  
5 WHICH THE JOB WAS CREATED SHALL BE REPAID BY THE TAXPAYER IN THE  
6 TAX YEAR IN WHICH THE JOB WAS ELIMINATED. IF THE TAXPAYER CRE-  
7 ATED MORE THAN 1 JOB IN A TAX YEAR IN WHICH A CREDIT UNDER THIS  
8 SECTION WAS CLAIMED, ELIMINATION OF ANY 1 JOB CREATED IN THAT TAX  
9 YEAR SHALL REQUIRE THE TAXPAYER TO REPAY THE ENTIRE CREDIT AMOUNT  
10 CLAIMED IN THE TAX YEAR IN WHICH THE JOB WAS CREATED.

11           (3) AS USED IN THIS SECTION:

12           (A) "EFFECTIVE TAX RATE" MEANS THE EFFECTIVE INCOME TAX RATE  
13 AS DETERMINED BY THE DEPARTMENT IN EFFECT ON THE DATE THAT A  
14 RETURN CLAIMING A CREDIT UNDER THIS SECTION IS FIRST DUE.

15           (B) "NEW JOB" MEANS A JOB CREATED BY A TAXPAYER THAT MEETS  
16 ALL OF THE FOLLOWING CRITERIA:

17           (i) THE JOB WAS CREATED IN A TAX YEAR AFTER THE EFFECTIVE  
18 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

19           (ii) THE JOB DOES NOT REPLACE A JOB PROVIDED BY THE TAXPAYER  
20 THAT EXISTED AT THE TIME THE NEW JOB WAS CREATED.

21           (iii) THE JOB IS IN ADDITION TO THE TOTAL NUMBER OF JOBS  
22 PROVIDED BY THE TAXPAYER IN THE IMMEDIATELY PRECEDING TAX YEAR.

23           (iv) THE JOB IS EXPECTED TO LAST AT LEAST 5 YEARS.