



SENATE BILL No. 678

September 26, 1995, Introduced by Senators BENNETT and SHUGARS and referred to the Committee on Appropriations.

A bill to amend section 274 of Act No. 281 of the Public Acts of 1967, entitled "Income tax act of 1967," as added by Act No. 7 of the Public Acts of 1995, being section 206.274 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 274 of Act No. 281 of the Public Acts of
2 1967, as added by Act No. 7 of the Public Acts of 1995, being
3 section 206.274 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 274. (1) For the 1995 tax year and each tax year after
6 the 1995 tax year and subject to the limitations in this section,
7 a claimant who has household income of \$200,000.00 or less and
8 who is a resident of this state may claim a credit against the
9 tax due under this act for fees ~~uniformly required to be paid by~~

1 ~~all students~~ and tuition paid by the claimant on behalf of the
2 claimant or any other student to a qualified institution of
3 higher learning.

4 (2) A claimant may claim a credit under this section equal
5 to 4% of the sum of all fees ~~uniformly required to be paid by~~
6 ~~all students~~ and tuition paid, not to exceed \$250.00 for each
7 student for each tax year.

8 (3) A credit shall not be claimed under this section for
9 more than 4 tax years for any 1 student.

10 ~~(4) The credit under this section shall be claimed on a~~
11 ~~separate form exclusive of any other form required by this act.~~

12 (4) ~~(5)~~ The department may require reasonable proof from
13 the claimant in support of the fees and tuition payments claimed
14 under this section.

15 (5) ~~(6)~~ The department may promulgate rules pursuant to
16 the administrative procedures act of 1969, Act No. 306 of the
17 Public Acts of 1969, being sections 24.201 to 24.328 of the
18 Michigan Compiled Laws, TO IMPLEMENT THIS SECTION.

19 (6) ~~(7)~~ The total amount of credits claimed IN A TAX YEAR
20 for tuition and fees paid by or on behalf of any 1 student shall
21 not exceed the maximum amount allowable under subsection (2).

22 (7) THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT BE
23 CLAIMED FOR FEES OR TUITION PAID IN THE TAX YEAR BY OR ON BEHALF
24 OF A STUDENT WHO WAS INCARCERATED AT ANY TIME DURING THE TAX
25 YEAR.

26 (8) As used in this section:

1 (A) "FEES" MEANS FEES REQUIRED OF AND UNIFORMLY PAID BY ALL
2 STUDENTS AND THAT HAVE BEEN PROMULGATED AND PUBLISHED IN THE
3 CATALOG OF THE INSTITUTION.

4 (B) "INCARCERATED" MEANS SERVING A TERM OF IMPRISONMENT IN A
5 STATE, COUNTY, OR CITY JAIL OR COMMITTED TO A JUVENILE FACILITY.

6 (C) "JUVENILE FACILITY" MEANS THAT TERM AS DEFINED IN SEC-
7 TION 2 OF THE JUVENILE FACILITIES ACT, ACT NO. 73 OF THE PUBLIC
8 ACTS OF 1988, BEING SECTION 803.222 OF THE MICHIGAN COMPILED
9 LAWS.

10 (D) ~~(a)~~ "Qualified institution of higher learning" means
11 an institution that meets all of the following criteria:

12 (i) The institution meets the criteria for an institution of
13 higher learning under section 260.

14 (ii) The institution is located in this state.

15 (iii) The instructional programs of the institution are not
16 comprised solely of sectarian instruction or religious worship.

17 (iv) The institution has provided a letter of notification
18 to the state treasurer before July 1 of the tax year that states
19 that the institution will not increase FEES AND tuition rates
20 during the ensuing academic year by more than the annual average
21 percentage increase in the United States consumer price index in
22 the immediately preceding tax year.

23 (E) ~~(b)~~ "Tuition" means IN-STATE tuition LESS ANY REFUNDS
24 OF TUITION RECEIVED BY THE CLAIMANT OR STUDENT paid for ~~credits~~
25 1 OF THE FOLLOWING:

26 (i) CREDITS for an undergraduate degree program. ~~or~~
27 ~~credits~~

1 (ii) CREDITS granted by a community college OR A 2-YEAR
2 PRIVATE COLLEGE toward a degree program or granted for the pur-
3 pose of transferring those credits toward an undergraduate degree
4 program. ~~less any refunds of tuition received by the claimant or~~
5 ~~student.~~

6 (F) ~~(c)~~ "United States consumer price index" means the
7 United States consumer price index for all urban consumers as
8 defined and reported by the United States department of labor,
9 bureau of labor statistics, and as certified by the state
10 treasurer.