



# SENATE BILL No. 872

February 20, 1996, Introduced by Senators ROGERS, STILLE, STEIL, DUNASKISS, GOUGEON, GAST, HOFFMAN, SCHUETTE, CARL, BENNETT, SHUGARS, CISKY, SCHWARZ, MC MANUS, BYRUM, BERRYMAN, DINGELL, KOIVISTO, PETERS, STALLINGS, YOUNG, MILLER and CHERRY 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 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 AND BEGINNING BEFORE JANUARY 1, 1999, A TAXPAYER MAY CLAIM A  
6 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE SUM OF  
7 50% OF THE QUALIFIED EXPENSES DEFINED IN SUBSECTION (3)(C)(i) AND  
8 (ii) AND 100% OF THE QUALIFIED EXPENSES DEFINED IN  
9 SUBSECTION (3)(C)(iii) PAID BY THE TAXPAYER IN THE TAX YEAR, NOT

1 TO EXCEED \$2,000.00 FOR EACH APPRENTICE TRAINED BY THE TAXPAYER  
2 IN THE TAX YEAR.

3 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX  
4 LIABILITY OF THE TAXPAYER UNDER THIS ACT FOR THE TAX YEAR, THAT  
5 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE  
6 REFUNDED.

7 (3) AS USED IN THIS SECTION:

8 (A) "APPRENTICE" MEANS A PERSON WHO IS 19 YEARS OF AGE OR  
9 YOUNGER, HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA, AND IS TRAINED  
10 BY A TAXPAYER THROUGH A PROGRAM THAT MEETS ALL OF THE FOLLOWING  
11 CRITERIA:

12 (i) THE PROGRAM IS REGISTERED WITH THE BUREAU OF APPRENTICE-  
13 SHIP AND TRAINING OF THE UNITED STATES DEPARTMENT OF LABOR.

14 (ii) THE PROGRAM IS PROVIDED PURSUANT TO AN APPRENTICESHIP  
15 AGREEMENT SIGNED BY THE TAXPAYER AND THE APPRENTICE.

16 (iii) THE PROGRAM IS FILED WITH A LOCAL WORKFORCE DEVELOP-  
17 MENT BOARD.

18 (B) "LOCAL WORKFORCE DEVELOPMENT BOARD" MEANS A BOARD ESTAB-  
19 LISHED BY THE CHIEF ELECTED OFFICIAL OF A LOCAL UNIT OF GOVERN-  
20 MENT PURSUANT TO THE JOB TRAINING PARTNERSHIP ACT, PUBLIC LAW  
21 97-300, 96 STAT. 1322, THAT HAS THE RESPONSIBILITY TO ENSURE THAT  
22 THE WORKFORCE NEEDS OF THE EMPLOYERS IN THE GEOGRAPHIC AREA GOV-  
23 ERNED BY THE LOCAL UNIT OF GOVERNMENT ARE MET.

24 (C) "QUALIFIED EXPENSES" MEANS ALL OF THE FOLLOWING:

25 (i) SALARY AND WAGES PAID TO AN APPRENTICE.

26 (ii) FRINGE BENEFITS AND OTHER PAYROLL EXPENSES PAID FOR THE  
27 BENEFIT OF AN APPRENTICE.

1           (iii) COSTS OF CLASSROOM INSTRUCTION AND RELATED EXPENSES  
2 IDENTIFIED AS COSTS FOR WHICH THE TAXPAYER IS RESPONSIBLE PURSU-  
3 ANT TO AN APPRENTICESHIP AGREEMENT, INCLUDING BUT NOT LIMITED TO  
4 TUITION, FEES, AND BOOKS FOR COLLEGE LEVEL COURSES TAKEN WHILE  
5 THE APPRENTICE IS ENROLLED IN HIGH SCHOOL.