

HOUSE BILL No. 4191

January 30, 1997, Introduced by Reps. Frank, Freeman, Harder, Wojno, Brewer, Anthony, Hale, Thomas, Leland, Mathieu, Agee, Cherry, Schauer, DeHart, Bogardus, Kilpatrick, Willard, Martinez, Wetters, Baird, Prusi, Varga, Goschka, Gire, Kaza, Raczkowski, Baade and Callahan and referred to the Committee on Colleges and Universities.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 274 (MCL 206.274), as amended by 1996 PA
484.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 274. (1) For the 1995 tax year and each tax year after
2 the 1995 tax year and subject to the limitations in this section,
3 a claimant who has household income of \$200,000.00 or less and
4 who is a resident of this state may claim a credit against the
5 tax due under this act for fees and tuition paid by the claimant
6 on behalf of the claimant or any other student to a qualified
7 institution of higher learning.
8 (2) A claimant may claim a credit under this section equal
9 to ~~4%~~ of the sum of all fees and tuition paid, not to exceed
10 ~~\$250.00~~ \$1,500.00 for each student for each tax year.

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

3 (4) The credit under this section may be claimed on a sepa-
4 rate form exclusive of any other form required by this act.

5 (5) The department may require reasonable proof from the
6 claimant in support of the fees and tuition payments claimed
7 under this section.

8 (6) The department may promulgate rules pursuant to the
9 administrative procedures act of 1969, ~~Act No. 306 of the Public~~
10 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~
11 ~~Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328, to implement
12 this section.

13 (7) The total amount of credits claimed in a tax year for
14 tuition and fees paid by or on behalf of any 1 student shall not
15 exceed the maximum amount allowable under subsection (2).

16 (8) As used in this section:

17 (a) "Fees" means fees required of and uniformly paid by all
18 students and that have been promulgated and published in the cat-
19 alog of the qualified institution of higher learning.

20 (b) "Qualified institution of higher learning" means an
21 institution that meets all of the following criteria:

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

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

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

1 (iv) For the 1995 tax year ~~and each tax year after the 1996~~
2 ~~tax year~~ ONLY, the institution has provided a letter of
3 notification to the state treasurer before July 1 of the tax year
4 that states that the institution will not increase fees and
5 tuition rates during the ensuing academic year by more than the
6 annual average percentage increase in the United States consumer
7 price index in the immediately preceding tax year.

8 (v) For the 1996 tax year only, the institution has provided
9 a letter of notification to the state treasurer on or before
10 December 31, 1996 that states that the institution will not
11 increase fees and tuition rates during the 1996-1997 academic
12 year by more than 3% above the fees and tuition rates for the
13 1995-1996 academic year.

14 (c) "Tuition" means in-state tuition less any refunds of
15 tuition received by the claimant or student paid for any of the
16 following:

17 (i) Credits for an undergraduate degree program.

18 (ii) Credits granted by a community college or a 2-year pri-
19 vate college toward a degree program or granted for the purpose
20 of transferring those credits toward an undergraduate degree
21 program.

22 (d) "United States consumer price index" means the United
23 States consumer price index for all urban consumers as defined
24 and reported by the United States department of labor, bureau of
25 labor statistics, and as certified by the state treasurer.