

# HOUSE BILL No. 4271

February 11, 1997, Introduced by Reps. Hanley, Profit, Wojno, Kelly, LaForge, Schauer, Anthony, McBryde, DeHart, Bogardus, Cherry, Hale, Martinez, Callahan, Gire, Tesanovich, Scott, Goschka, Parks and Prusi and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 38e.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 38E. (1) FOR TAX YEARS BEGINNING AFTER DECEMBER 31,  
2 1996, IF A TAXPAYER HAS AN AVERAGE OF 25 OR FEWER EMPLOYEES  
3 DURING THE TAX YEAR, THE TAXPAYER MAY CLAIM AS A CREDIT AGAINST  
4 THE TAX IMPOSED BY THIS ACT FOR THE TAX YEAR AN AMOUNT NOT TO  
5 EXCEED \$50.00 PER CHILD PER WEEK, SUBJECT TO SUBSECTION (2), FOR  
6 WHOM THE COST OF CARE DOES NOT EXCEED \$75.00 PER CHILD PER WEEK  
7 CALCULATED BY ADDING THE FOLLOWING:  
8        (A) COSTS INCURRED BY THE TAXPAYER TO PROVIDE CARE FOR CHIL-  
9 DREN OF EMPLOYEES OF THE TAXPAYER AT A CHILD CARE ORGANIZATION  
10 OPERATED BY THE TAXPAYER AND LICENSED OR REGISTERED UNDER 1973 PA  
11 116, MCL 722.111 TO 722.128.

1 (B) PAYMENTS MADE BY THE TAXPAYER TO A CHILD CARE  
2 ORGANIZATION LICENSED OR REGISTERED UNDER 1973 PA 116, MCL  
3 722.111 TO 722.128, TO COMPENSATE THE CHILD CARE ORGANIZATION FOR  
4 THE CARE OF CHILDREN OF EMPLOYEES OF THE TAXPAYER.

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

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