

# HOUSE BILL No. 4783

May 14, 1997, Introduced by Reps. Schroer and Profit and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 265 (MCL 206.265), as added by 1993 PA 128.

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

1       Sec. 265. (1) For the ~~1991~~ 1989 tax year and each tax  
2 year after ~~1991~~ 1989, a taxpayer may credit against the tax  
3 imposed by this act for the tax year an amount equal to the tax  
4 paid in any prior tax year attributable to income received by the  
5 taxpayer in any prior tax year and repaid by the taxpayer during  
6 the tax year if the taxpayer is eligible for a deduction or  
7 credit against his or her federal tax liability pursuant to sec-  
8 tion 1341 of the internal revenue code based on the repayment for  
9 the tax year. A credit under this section for a tax year is  
10 allowed only if the repayment for which a deduction or credit was  
11 taken pursuant to section 1341 of the internal revenue code is

1 not deducted in calculating the taxpayer's adjusted gross income  
2 for the tax year.

3       (2) If the credit allowed under this section exceeds the tax  
4 liability of the taxpayer for the tax year, that portion of the  
5 credit that exceeds the tax liability shall be refunded.

6       Enacting section 1. This amendatory act is effective for  
7 tax years beginning after 1988.