

# HOUSE BILL No. 5920

June 9, 1998, Introduced by Reps. Jelinek, Cassis, Llewellyn, Birkholz, Byl and Scranton 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 39c.

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

1 SEC. 39C. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2 1998, A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX  
3 IMPOSED BY THIS ACT EQUAL TO THE TOTAL OF THE FOLLOWING AMOUNTS:

4 (A) IF THE TAXPAYER PAYS AT LEAST THE MINIMUM WAGE TO AN  
5 ELIGIBLE EMPLOYEE, 50% OF THE WAGES PAID TO THAT ELIGIBLE  
6 EMPLOYEE FOR THE TERM OF EMPLOYMENT AGREED UPON WHEN THE ELIGIBLE  
7 EMPLOYEE WAS HIRED.

8 (B) IF THE TAXPAYER PAYS LESS THAN THE MINIMUM WAGE TO AN  
9 ELIGIBLE EMPLOYEE, 10% OF THE WAGES PAID TO THAT ELIGIBLE  
10 EMPLOYEE FOR THE TERM OF EMPLOYMENT AGREED UPON WHEN THE ELIGIBLE  
11 EMPLOYEE WAS HIRED.

1           (2) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED  
2 IN THE TAX YEAR IN WHICH THE ELIGIBLE EMPLOYEE COMPLETES THE  
3 AGREED UPON TERM OF EMPLOYMENT WITH THE QUALIFIED TAXPAYER.  
4 WAGES PAID TO AN ELIGIBLE EMPLOYEE IN PREVIOUS TAX YEARS, IF THE  
5 WAGES WERE PAID FOR WORK DURING AN AGREED UPON TERM OF EMPLOY-  
6 MENT, MAY BE INCLUDED IN THE CALCULATION OF THE CREDIT IN THE  
7 YEAR THE CREDIT IS CLAIMED.

8           (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX  
9 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS  
10 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,  
11 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR  
12 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX  
13 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,  
14 WHICHEVER OCCURS FIRST.

15           (4) AS USED IN THIS SECTION:

16           (A) "ELIGIBLE EMPLOYEE" MEANS A STUDENT WHO IS 16 YEARS OF  
17 AGE OR OLDER, IS ENROLLED IN A SCHOOL-TO-WORK, WORK-STUDY, OR  
18 CAREER TECHNICAL EDUCATION PROGRAM, AND WORKS 15 TO 33 HOURS PER  
19 WEEK FOR THE QUALIFIED TAXPAYER THAT IS CLAIMING A CREDIT FOR  
20 WAGES PAID TO THE ELIGIBLE EMPLOYEE UNDER THIS SECTION.

21           (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WITH 50 OR FEWER  
22 EMPLOYEES.