

Act No. 19
Public Acts of 1998
Approved by the Governor
March 12, 1998
Filed with the Secretary of State
March 12, 1998
EFFECTIVE DATE: See act for effective date

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Schroer and Profit

ENROLLED HOUSE BILL No. 4783

AN ACT to amend 1967 PA 281, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, and enforcement by lien and otherwise of taxes on or measured by net income; to prescribe the manner and time of making reports and paying the taxes, and the functions of public officers and others as to the taxes; to permit the inspection of the records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits and refunds of the taxes; to prescribe penalties for the violation of this act; to provide an appropriation; and to repeal certain acts and parts of acts," by amending section 265 (MCL 206.265), as added by 1993 PA 128.

The People of the State of Michigan enact:

Sec. 265. (1) For the 1989 tax year and each tax year after 1989, a taxpayer may credit against the tax imposed by this act for the tax year an amount equal to the tax paid in any prior tax year attributable to income received by the taxpayer in any prior tax year and repaid by the taxpayer during the tax year if the taxpayer is eligible for a deduction or credit against his or her federal tax liability pursuant to section 1341 of the internal revenue code based on the repayment for the tax year. A credit under this section for a tax year is allowed only if the repayment for which a deduction or credit was taken pursuant to section 1341 of the internal revenue code is not deducted in calculating the taxpayer's adjusted gross income for the tax year.

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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.