

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 717 (as introduced 9-23-99)
Sponsor: Senator Mike Rogers
Committee: Finance

Date Completed: 10-5-99

CONTENT

The bill would amend the Single Business Tax (SBT) Act to extend a provision that allows a taxpayer to claim a credit for certain expenditures made for the training of an apprentice, by removing the January 1, 2000, sunset date.

Currently, under the Act, a taxpayer may claim a refundable credit against the SBT of up to \$2,000 per apprentice per tax year for expenses related to the training of an apprentice. An apprentice must be a State resident at least 16 years old but under 20 years old who has not obtained a high school diploma, is enrolled in high school or a general education development (G.E.D.) test preparation program (or is expecting to enroll within three months), and is trained by the taxpayer in a program that meets the following criteria:

- Is registered with the Bureau of Apprenticeship and Training of the U.S. Department of Labor.
- Includes a minimum term in hours of at least 4,000 hours.
- Is provided pursuant to an agreement signed by the taxpayer and the apprentice.
- Is filed with the local workforce development board (a board established by a local unit's chief elected official pursuant to the Federal Job Training Partnership Act).

MCL 208.38e

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill would reduce single business tax revenue by the cost of the apprenticeship credit beginning in FY 2000-01. For the 1997 tax year, the latest year for which actual data are available, the apprenticeship credit totaled \$92,800 and was claimed by only 33 taxpayers. All single business tax revenue goes into the General Fund/General Purpose (GF/GP) budget, so the cost of this credit impacts GF/GP revenue.

Fiscal Analyst: J. Wortley

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