

SENATE BILL NO. 717

September 22, 1999, Introduced by Senators ROGERS, HAMMERSTROM, SIKKEMA, SHUGARS, BENNETT, JOHNSON, STEIL, GOUGEON, SCHWARZ, GAST, NORTH, GOSCHKA, HOFFMAN and STILLE and referred to the Committee on Finance.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
by amending section 38e (MCL 208.38e), as added by 1996 PA 593.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 38e. (1) A taxpayer may claim a credit against the tax
2 imposed by this act equal to the sum of 50% of the qualified
3 expenses defined in subsection (5)(d)(i) and (ii) and 100% of the
4 qualified expenses defined in subsection (5)(d)(iii) paid by the
5 taxpayer in the tax year, not to exceed \$2,000.00 for each
6 apprentice trained by the taxpayer in the tax year.
7 (2) If the credit allowed under this section exceeds the tax
8 liability of the taxpayer under this act for the tax year, that
9 portion of the credit that exceeds the tax liability shall be
10 refunded.

SB 717, As Passed Senate, October 14, 1999

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1 (3) The credit allowed under this section shall be claimed
2 on the annual return required under section 73, or for a taxpayer
3 that is not required to file an annual return, the department
4 shall provide that the credit under this subsection may be
5 claimed on the C-8044 form, a successor form for persons not
6 required to file an annual return, or other simplified form pre-
7 scribed by the department.

8 (4) For each year that this credit is in effect, the
9 MICHIGAN department of ~~Michigan jobs commission~~ CAREER
10 DEVELOPMENT shall prepare a report containing information includ-
11 ing but not limited to the number of companies taking advantage
12 of the apprenticeship credit, the number of apprentices partici-
13 pating in the program, the number of apprentices who complete a
14 program the costs of which were the basis of a credit under this
15 section, the number of apprentices that were hired by the tax-
16 payer after the apprenticeship training was completed for which
17 the taxpayer claimed a credit under this section for the costs of
18 training that apprentice, information on the employment status of
19 individuals who have completed an apprenticeship to the extent
20 the information is available, and the fiscal impact of the
21 apprenticeship credit. This report shall then be transmitted to
22 the house tax policy and senate finance committees and to the
23 house and senate appropriations committees. This report shall be
24 due no later than the first day of March each year.

25 (5) As used in this section:

26 (a) "Apprentice" means a person who is a resident of this
27 state, is 16 years of age or older but younger than 20 years of

1 age, has not obtained a high school diploma, is enrolled in high
2 school or a general education development (G.E.D.) test prepara-
3 tion program, and is trained by a taxpayer through a program that
4 meets all of the following criteria:

5 (i) The program is registered with the bureau of apprentice-
6 ship and training of the United States department of labor.

7 (ii) The program is provided pursuant to an apprenticeship
8 agreement signed by the taxpayer and the apprentice.

9 (iii) The program is filed with a local workforce develop-
10 ment board.

11 (iv) The minimum term in hours for the program shall be not
12 less than 4,000 hours.

13 (b) "Enrolled" means currently enrolled or expecting to
14 enroll after a period of less than 3 months during which the pro-
15 gram is not in operation and the apprentice is not enrolled.

16 (c) "Local workforce development board" means a board estab-
17 lished by the chief elected official of a local unit of govern-
18 ment pursuant to the job training partnership act, Public Law
19 97-300, 96 Stat. 1322, that has the responsibility to ensure that
20 the workforce needs of the employers in the geographic area gov-
21 erned by the local unit of government are met.

22 (d) "Qualified expenses" means all of the following expenses
23 paid by the taxpayer in a tax year that begins after December 31,
24 1996 ~~and before January 1, 2000~~ that were not paid for with
25 funds the taxpayer received or retained that the taxpayer would
26 not otherwise have received or retained and that are used for
27 training an apprentice:

- 1 (i) Salary and wages paid to an apprentice.
- 2 (ii) Fringe benefits and other payroll expenses paid for the
- 3 benefit of an apprentice.
- 4 (iii) Costs of classroom instruction and related expenses
- 5 identified as costs for which the taxpayer is responsible
- 6 ~~pursuant to~~ UNDER an apprenticeship agreement, including but
- 7 not limited to tuition, fees, and books for college level courses
- 8 taken while the apprentice is enrolled in high school.