

SENATE BILL NO. 405

March 3, 1999, Introduced by Senator PETERS and referred to the
Committee on Finance.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 39d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY
2 1, 2000 AND BEFORE JANUARY 1, 2005, A QUALIFIED TAXPAYER MAY
3 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 50%
4 OF THE COSTS PAID BY THE TAXPAYER TO ESTABLISH A QUALIFIED
5 RETIREMENT PLAN OR \$1,500.00, WHICHEVER IS LESS.
6 (2) A TAXPAYER SHALL CLAIM THE CREDIT ALLOWED UNDER THIS
7 SECTION ONLY IN THE 1 TAX YEAR IN WHICH THE QUALIFIED RETIREMENT
8 PLAN IS FIRST ESTABLISHED BY THE TAXPAYER.
9 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
10 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE EXCESS SHALL BE
11 REFUNDED TO THE TAXPAYER.

1 (4) AS USED IN THIS SECTION:

2 (A) "QUALIFIED RETIREMENT PLAN" MEANS A PROGRAM THAT PRO-
3 VIDES RETIREMENT OR PENSION BENEFITS FOR ALL EMPLOYEES IMPL-
4 MENTED BY A TAXPAYER THAT HAS NOT PREVIOUSLY OFFERED ANY RETIRE-
5 MENT OR PENSION PLAN OR PROGRAM TO HIS OR HER EMPLOYEES.

6 (B) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WITH 20 OR FEWER
7 EMPLOYEES THAT OFFERS THE QUALIFIED RETIREMENT PLAN TO ALL
8 EMPLOYEES.

9 (C) "RETIREMENT OR PENSION BENEFITS" MEANS ALL OF THE
10 FOLLOWING:

11 (i) RETIREMENT OR PENSION BENEFITS AS DEFINED IN SECTION 30
12 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.30.

13 (ii) ANY DISTRIBUTIONS FROM A 401(k) PLAN.