

Act No. 184
Public Acts of 1999
Approved by the Governor
November 23, 1999
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November 24, 1999
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**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999**

**Introduced by Senators Rogers, Hammerstrom, Sikkema, Shugars, Bennett, Johnson, Steil, Gougeon,
Schwarz, Gast, North, Goschka, Hoffman and Stille**

ENROLLED SENATE BILL No. 717

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," by amending section 38e (MCL 208.38e), as added by 1996 PA 593.

The People of the State of Michigan enact:

Sec. 38e. (1) A taxpayer may claim a credit against the tax imposed by this act equal to the sum of 50% of the qualified expenses defined in subsection (5)(d)(i) and (ii) and 100% of the qualified expenses defined in subsection (5)(d)(iii) paid by the taxpayer in the tax year, not to exceed \$2,000.00 for each apprentice trained by the taxpayer in the tax year.

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

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

(4) For each year that this credit is in effect, the Michigan department of career development shall prepare a report containing information including but not limited to the number of companies taking advantage of the apprenticeship credit, the number of apprentices participating in the program, the number of apprentices who complete a program the costs of which were the basis of a credit under this section, the number of apprentices that were hired by the taxpayer after the apprenticeship training was completed for which the taxpayer claimed a credit under this section for the costs of training that apprentice, information on the employment status of individuals who have completed an apprenticeship to the extent the information is available, and the fiscal impact of the apprenticeship credit. This report shall then be transmitted to the house tax policy and senate finance committees and to the house and senate appropriations committees. This report shall be due no later than the first day of March each year.

(5) As used in this section:

(a) "Apprentice" means a person who is a resident of this state, is 16 years of age or older but younger than 20 years of age, has not obtained a high school diploma, is enrolled in high school or a general education development (G.E.D.) test preparation program, and is trained by a taxpayer through a program that meets all of the following criteria:

(i) The program is registered with the bureau of apprenticeship and training of the United States department of labor.

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

(iii) The program is filed with a local workforce development board.

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

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

(c) "Local workforce development board" means a board established by the chief elected official of a local unit of government pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, that has the responsibility to ensure that the workforce needs of the employers in the geographic area governed by the local unit of government are met.

(d) "Qualified expenses" means all of the following expenses paid by the taxpayer in a tax year that begins after December 31, 1996 that were not paid for with funds the taxpayer received or retained that the taxpayer would not otherwise have received or retained and that are used for training an apprentice:

(i) Salary and wages paid to an apprentice.

(ii) Fringe benefits and other payroll expenses paid for the benefit of an apprentice.

(iii) Costs of classroom instruction and related expenses identified as costs for which the taxpayer is responsible under an apprenticeship agreement, including but not limited to tuition, fees, and books for college level courses taken while the apprentice is enrolled in high school.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Ray E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.