

HOUSE BILL No. 6191

June 13, 2002, Introduced by Reps. Kolb, Thomas and Phillips and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 269. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2002, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
3 THIS ACT EQUAL TO 20% OF THE AMOUNT OF THE EARNED INCOME CREDIT
4 THAT THE TAXPAYER WAS ELIGIBLE TO CLAIM FOR THE TAX YEAR UNDER
5 SECTION 32 OF THE INTERNAL REVENUE CODE.

6 (2) IF THE CREDIT ALLOWED BY THIS SECTION EXCEEDS THE TAX
7 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THE STATE TREASURER
8 SHALL REFUND THE EXCESS TO THE TAXPAYER WITHOUT INTEREST, EXCEPT
9 AS PROVIDED IN SECTION 30 OF 1941 PA 122, MCL 205.30.

10 (3) MARRIED TAXPAYERS WHO FILE THEIR STATE TAX RETURN
11 SEPARATELY MAY APPLY THE CREDIT ALLOWED BY THIS SECTION AGAINST

1 THE TAX LIABILITY OF EITHER TAXPAYER OR DIVIDE THE CREDIT BETWEEN
2 THEM, AS THEY ELECT.

3 (4) THE STATE TREASURER SHALL ANNUALLY ATTEMPT TO INFORM
4 TAXPAYERS WHO MAY BE ELIGIBLE TO RECEIVE THE CREDIT ALLOWED BY
5 THIS SECTION OF THE CREDIT'S AVAILABILITY. TO DETERMINE WHETHER
6 A TAXPAYER MAY BE ELIGIBLE FOR THE CREDIT FOR PURPOSES OF INFORM-
7 ING THE TAXPAYER OF ITS AVAILABILITY, THE STATE TREASURER SHALL
8 USE APPROPRIATE AND AVAILABLE DATA, INCLUDING, BUT NOT LIMITED
9 TO, DATA AVAILABLE FROM THE UNITED STATES DEPARTMENT OF TREASURY,
10 THE INTERNAL REVENUE SERVICE, AND STATE INCOME TAX RETURNS FROM
11 PRECEDING TAX YEARS.

12 (5) THE STATE TREASURER SHALL PREPARE AN ANNUAL REPORT CON-
13 TAINING STATISTICAL INFORMATION REGARDING CREDITS CLAIMED UNDER
14 THIS SECTION FOR THE IMMEDIATELY PRECEDING TAX YEAR, INCLUDING
15 THE TOTAL AMOUNT OF CREDITS CLAIMED UNDER THE EARNED INCOME TAX
16 CREDIT, THE NUMBER OF CREDITS CLAIMED, AND THE AVERAGE VALUE OF
17 CREDITS CLAIMED BY TAXPAYERS WHOSE EARNED INCOME FALLS WITHIN
18 INCOME RANGES ESTABLISHED BY THE STATE TREASURER.