

**RAISE APPRENTICESHIP CREDITS;  
INCREASE GROSS SALES LIMIT**

**House Bill 5304**  
**Sponsor: Rep. Lorence Wenke**  
**Committee: Tax Policy**

**Complete to 1-16-04**

**A SUMMARY OF HOUSE BILL 5304 AS INTRODUCED 11-13-03**

The Single Business Tax (SBT) Act allows a taxpayer to claim a refundable credit of up to \$2,000 per year for expenses related to the training of an apprentice. The bill would increase the maximum amount that may be claimed to \$3,000 per year for tax years that begin after December 31, 2003.

The credit is equal to the sum of (1) 50 percent of the apprentice's salary and wages, including fringe benefits and other expenses paid for the benefit of an apprentice; and (2) 100 percent of the costs related to classroom instruction.

In addition, the SBT act provides that if a taxpayer's business activities in the state do not include owning or renting real property or tangible personal property and the taxpayer's gross sales in the state during the tax year do not exceed \$100,000, the taxpayer's tax liability could be calculated as the product of (1) total sales in the state and, (2) the ratio of the tax base to total sales as reported on the taxpayer's federal income tax return. The bill would increase the gross sales limit to \$110,000 for tax years that begin after December 31, 2003.

MCL 208.38e and 208.68

House Bill 5304 (1-16-04)

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.