

# HOUSE BILL No. 4951

July 15, 2003, Introduced by Reps. Stakoe, Garfield, Acciavatti, Vander Veen, Brandenburg, Stahl and Pastor and referred to the Committee on Higher Education.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 274 (MCL 206.274), as amended by 1997 PA 82.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 274. (1) For the 1995 tax year and each tax year after  
2 the 1995 tax year and subject to the limitations in this section,  
3 a claimant who has adjusted gross income of \$200,000.00 or less  
4 and who is a resident of this state may claim a credit against  
5 the tax due under this act for fees and tuition paid by the  
6 claimant on behalf of the claimant or any other student to a  
7 qualified institution of higher learning.

8       (2) A claimant may claim a credit under this section equal to  
9 the following amounts for the following periods:

10       (a) For the 1995, 1996, and 1997 tax years, 4% of the sum of  
11 all fees and tuition paid, not to exceed \$250.00 for each student

1 for each tax year.

2 (b) For the 1998 tax year and ~~each tax year after the 1998~~  
3 ~~tax year~~ **for tax years that begin before January 1, 2003, 8.0%**  
4 of the sum of all fees and tuition paid, not to exceed \$375.00  
5 for each student for each tax year.

6 (c) **For tax years that begin after December 31, 2002, 8% of**  
7 **the sum of all fees and tuition paid, not to exceed \$800.00 for**  
8 **each student for each tax year.**

9 (3) A credit shall not be claimed under this section for more  
10 than 4 tax years for any 1 student.

11 (4) The credit under this section may be claimed on a  
12 separate form exclusive of any other form required by this act.

13 (5) The department may require reasonable proof from the  
14 claimant in support of the fees and tuition payments claimed  
15 under this section.

16 (6) The department may promulgate rules pursuant to the  
17 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
18 24.328, to implement this section.

19 (7) The total amount of credits claimed in a tax year for  
20 tuition and fees paid by or on behalf of any 1 student shall not  
21 exceed the maximum amount allowable under subsection (2).

22 (8) As used in this section:

23 (a) "Fees" means fees required of and uniformly paid by all  
24 students and that have been promulgated and published in the  
25 catalog of the qualified institution of higher learning.

26 (b) "Qualified institution of higher learning" means an  
27 institution that meets all of the following criteria:

1       (i) The institution meets the criteria for an institution of  
2 higher learning under section 260.

3       (ii) The institution is located in this state.

4       (iii) The instructional programs of the institution are not  
5 comprised solely of sectarian instruction or religious worship.

6       (iv) For the 1995 tax year and each tax year after the 1996  
7 tax year, the institution has provided a letter of notification  
8 to the state treasurer before July 1 of the tax year that states  
9 that the institution will not increase fees and tuition rates  
10 during the ensuing academic year by more than the annual average  
11 percentage increase in the United States consumer price index in  
12 the immediately preceding tax year.

13       (v) For the 1996 tax year only, the institution has provided  
14 a letter of notification to the state treasurer on or before  
15 December 31, 1996 that states that the institution will not  
16 increase fees and tuition rates during the 1996-1997 academic  
17 year by more than 3% above the fees and tuition rates for the  
18 1995-1996 academic year.

19       (c) "Tuition" means in-state tuition less any refunds of  
20 tuition received by the claimant or student paid for any of the  
21 following:

22       (i) Credits for an undergraduate degree program.

23       (ii) Credits granted by a community college or a 2-year  
24 private college toward a degree program or granted for the  
25 purpose of transferring those credits toward an undergraduate  
26 degree program.

27       (d) "United States consumer price index" means the United

1 States consumer price index for all urban consumers as defined  
2 and reported by the United States department of labor, bureau of  
3 labor statistics, and as certified by the state treasurer.