

HOUSE BILL No. 4736

May 5, 2005, Introduced by Reps. Hoogendyk, Stakoe, Huizenga, Robertson, Gosselin, Sheen and Vander Veen and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 267 (MCL 206.267), as added by 2000 PA 394; and
to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 267. (1) For tax years that begin after December 31,
2 2000, an eligible taxpayer may claim a credit against the tax
3 imposed by this act equal to the ~~amount determined under section~~
4 ~~268.—~~ **TAXPAYER'S QUALIFIED ADOPTION EXPENSES IN EXCESS OF THE**
5 **AMOUNT OF CREDIT FOR QUALIFIED ADOPTION EXPENSES THE TAXPAYER**
6 **CLAIMED UNDER SECTION 23 OF THE INTERNAL REVENUE CODE OR EITHER OF**
7 **THE FOLLOWING AMOUNTS PER CHILD, WHICHEVER IS LESS:**

8 (A) \$1,200.00.

1 (B) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2004, IF THE
2 TAXPAYER ADOPTS A CHILD WHO WAS SUBJECT TO THE JURISDICTION OF THE
3 COURT OR WAS A WARD OF THE STATE BEFORE THE ADOPTION BECAME FINAL,
4 \$2,400.00.

5 (2) If the credit allowed under this section for the tax year
6 exceeds the taxpayer's tax liability for the tax year, that portion
7 that exceeds the tax liability for the tax year shall be refunded.

8 (3) THE AMOUNTS UNDER SUBSECTION (1) SHALL BE ADJUSTED
9 ANNUALLY BY THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER
10 PRICE INDEX FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.

11 (4) ~~-(3)-~~ As used in this section: ~~—~~ "eligible

12 (A) "ELIGIBLE taxpayer" means a taxpayer that claimed a credit
13 under section 23 of the internal revenue code for the same tax year
14 that the taxpayer is claiming a credit under this section.

15 (B) "QUALIFIED ADOPTION EXPENSES" MEANS ADOPTION EXPENSES THAT
16 ARE ELIGIBLE TO BE USED BY AN ELIGIBLE TAXPAYER TO CLAIM A CREDIT
17 AGAINST THE TAXPAYER'S FEDERAL TAX LIABILITY UNDER SECTION 23 OF
18 THE INTERNAL REVENUE CODE FOR THE SAME TAX YEAR THAT THE TAXPAYER
19 IS CLAIMING A CREDIT UNDER THIS SECTION.

20 (C) "UNITED STATES CONSUMER PRICE INDEX" MEANS THE UNITED
21 STATES CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS AS DEFINED AND
22 REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
23 STATISTICS, AND AS CERTIFIED BY THE STATE TREASURER.

24 Enacting section 1. Section 268 of the income tax act of
25 1967, 1967 PA 281, MCL 206.268, is repealed effective January 1,
26 2005.