

HOUSE BILL No. 6282

June 25, 2008, Introduced by Reps. Melton, Bieda, Condino, Young, Sheltroun, Mayes, Farrah, Robert Jones, Espinoza, Steil, Pavlov, Hildenbrand, Palsrok, Acciavatti, Proos, Meisner, Simpson and Calley and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 461. (1) A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
2 IMPOSED BY THIS ACT EQUAL TO THE SUM OF 50% OF THE QUALIFIED
3 EXPENSES DEFINED IN SUBSECTION (5) (D) (i) AND (ii) AND 100% OF THE
4 QUALIFIED EXPENSES DEFINED IN SUBSECTION (5) (D) (iii) PAID BY THE
5 TAXPAYER IN THE TAX YEAR IN EACH OF THE FOLLOWING CIRCUMSTANCES:

6 (A) EXCEPT FOR APPRENTICES TRAINED UNDER SUBDIVISION (B) OR
7 (C), AN AMOUNT NOT TO EXCEED \$2,000.00 FOR EACH APPRENTICE TRAINED
8 BY THE TAXPAYER IN THE TAX YEAR.

9 (B) FOR COMPANIES THAT HAVE A CLASSIFICATION UNDER THE NORTH
10 AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) OF 333511,

1 333512, 333513, 333514, OR 333515, AN AMOUNT NOT TO EXCEED
2 \$4,000.00 FOR EACH APPRENTICE TRAINED BY THE TAXPAYER IN THE TAX
3 YEAR.

4 (C) FOR COMPANIES THAT HAVE A CLASSIFICATION UNDER THE NORTH
5 AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS) OF 333511,
6 333512, 333513, 333514, OR 333515, AN AMOUNT NOT TO EXCEED
7 \$1,000.00 FOR EACH SPECIAL APPRENTICE TRAINED BY THE TAXPAYER IN
8 THE TAX YEAR.

9 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
10 LIABILITY OF THE TAXPAYER UNDER THIS ACT FOR THE TAX YEAR, THAT
11 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
12 REFUNDED.

13 (3) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON
14 THE ANNUAL RETURN REQUIRED UNDER SECTION 505, OR FOR A TAXPAYER
15 THAT IS NOT REQUIRED TO FILE AN ANNUAL RETURN, THE DEPARTMENT SHALL
16 PROVIDE THAT THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED ON THE
17 C-8044 FORM, A SUCCESSOR FORM FOR PERSONS NOT REQUIRED TO FILE AN
18 ANNUAL RETURN, OR OTHER SIMPLIFIED FORM PRESCRIBED BY THE
19 DEPARTMENT.

20 (4) FOR EACH YEAR THAT THIS CREDIT IS IN EFFECT, THE
21 DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL PREPARE A REPORT
22 CONTAINING INFORMATION INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF
23 COMPANIES TAKING ADVANTAGE OF THE APPRENTICESHIP CREDIT, THE NUMBER
24 OF APPRENTICES PARTICIPATING IN THE PROGRAM, THE NUMBER OF
25 APPRENTICES WHO COMPLETE A PROGRAM THE COSTS OF WHICH WERE THE
26 BASIS OF A CREDIT UNDER THIS SECTION, THE NUMBER OF APPRENTICES
27 THAT WERE HIRED BY THE TAXPAYER AFTER THE APPRENTICESHIP TRAINING

1 WAS COMPLETED FOR WHICH THE TAXPAYER CLAIMED A CREDIT UNDER THIS
2 SECTION FOR THE COSTS OF TRAINING THAT APPRENTICE, INFORMATION ON
3 THE EMPLOYMENT STATUS OF INDIVIDUALS WHO HAVE COMPLETED AN
4 APPRENTICESHIP TO THE EXTENT THE INFORMATION IS AVAILABLE, AND THE
5 FISCAL IMPACT OF THE APPRENTICESHIP CREDIT. THIS REPORT SHALL THEN
6 BE TRANSMITTED TO THE HOUSE TAX POLICY AND SENATE FINANCE
7 COMMITTEES AND TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES.
8 THIS REPORT SHALL BE DUE NO LATER THAN THE FIRST DAY OF MARCH EACH
9 YEAR.

10 (5) AS USED IN THIS SECTION:

11 (A) "APPRENTICE" MEANS A PERSON WHO IS A RESIDENT OF THIS
12 STATE, IS 16 YEARS OF AGE OR OLDER BUT YOUNGER THAN 20 YEARS OF
13 AGE, HAS NOT OBTAINED A HIGH SCHOOL DIPLOMA, IS ENROLLED IN HIGH
14 SCHOOL OR A GENERAL EDUCATION DEVELOPMENT (G.E.D.) TEST PREPARATION
15 PROGRAM, AND IS TRAINED BY A TAXPAYER THROUGH A PROGRAM THAT MEETS
16 ALL OF THE FOLLOWING CRITERIA:

17 (i) THE PROGRAM IS REGISTERED WITH THE OFFICE OF APPRENTICESHIP
18 IN THE UNITED STATES DEPARTMENT OF LABOR.

19 (ii) THE PROGRAM IS PROVIDED PURSUANT TO AN APPRENTICESHIP
20 AGREEMENT SIGNED BY THE TAXPAYER AND THE APPRENTICE.

21 (iii) THE PROGRAM IS FILED WITH A LOCAL WORKFORCE DEVELOPMENT
22 BOARD.

23 (iv) THE MINIMUM TERM IN HOURS FOR THE PROGRAM SHALL BE NOT
24 LESS THAN 4,000 HOURS.

25 (B) "ENROLLED" MEANS CURRENTLY ENROLLED OR EXPECTING TO ENROLL
26 AFTER A PERIOD OF LESS THAN 3 MONTHS DURING WHICH THE PROGRAM IS
27 NOT IN OPERATION AND THE APPRENTICE IS NOT ENROLLED.

1 (C) "LOCAL WORKFORCE DEVELOPMENT BOARD" MEANS A BOARD
2 ESTABLISHED BY THE CHIEF ELECTED OFFICIAL OF A LOCAL UNIT OF
3 GOVERNMENT PURSUANT TO THE JOB TRAINING PARTNERSHIP ACT, PUBLIC LAW
4 97-300, 96 STAT. 1322, THAT HAS THE RESPONSIBILITY TO ENSURE THAT
5 THE WORKFORCE NEEDS OF THE EMPLOYERS IN THE GEOGRAPHIC AREA
6 GOVERNED BY THE LOCAL UNIT OF GOVERNMENT ARE MET.

7 (D) "QUALIFIED EXPENSES" MEANS ALL OF THE FOLLOWING EXPENSES
8 PAID BY THE TAXPAYER IN A TAX YEAR FOR EXPENSES USED TO CALCULATE A
9 CREDIT UNDER SUBSECTION (1) (A) AND FOR EXPENSES USED TO CALCULATE A
10 CREDIT UNDER SUBSECTION (1) (B) THAT WERE NOT PAID FOR WITH FUNDS
11 THE TAXPAYER RECEIVED OR RETAINED THAT THE TAXPAYER WOULD NOT
12 OTHERWISE HAVE RECEIVED OR RETAINED AND THAT ARE USED FOR TRAINING
13 AN APPRENTICE:

14 (i) SALARY AND WAGES PAID TO AN APPRENTICE.

15 (ii) FRINGE BENEFITS AND OTHER PAYROLL EXPENSES PAID FOR THE
16 BENEFIT OF AN APPRENTICE.

17 (iii) COSTS OF CLASSROOM INSTRUCTION AND RELATED EXPENSES
18 IDENTIFIED AS COSTS FOR WHICH THE TAXPAYER IS RESPONSIBLE UNDER AN
19 APPRENTICESHIP AGREEMENT, INCLUDING BUT NOT LIMITED TO TUITION,
20 FEES, AND BOOKS FOR COLLEGE LEVEL COURSES TAKEN WHILE THE
21 APPRENTICE IS ENROLLED IN HIGH SCHOOL.

22 (E) "SPECIAL APPRENTICE" MEANS A PERSON WHO IS NOT AN
23 APPRENTICE AS DEFINED BY SUBDIVISION (A), IS A RESIDENT OF THIS
24 STATE, IS 16 YEARS OF AGE OR OLDER BUT YOUNGER THAN 25 YEARS OF
25 AGE, AND IS TRAINED BY A TAXPAYER THROUGH A PROGRAM THAT MEETS ALL
26 OF THE CRITERIA UNDER SUBDIVISION (A) (i) TO (iv).