

HOUSE BILL No. 6102

December 18, 2014, Introduced by Rep. Clemente 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 206.713) by adding section 675.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 675. (1) BEGINNING ON AND AFTER JANUARY 1, 2015, A
2 TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS PART
3 EQUAL TO 50% OF THE AMOUNT OF QUALIFIED STUDENT LOAN PAYMENTS MADE
4 BY THE TAXPAYER ON BEHALF OF A QUALIFIED EMPLOYEE DURING THE TAX
5 YEAR FOR WHICH THE CREDIT IS CLAIMED OR 20% OF THE AVERAGE YEARLY
6 TUITION FOR MICHIGAN'S PUBLIC UNIVERSITIES PER EMPLOYEE, WHICHEVER
7 IS LESS.

8 (2) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE
9 TAXPAYER IN A FORM AS PRESCRIBED BY THE DEPARTMENT SHALL PROVIDE

1 REASONABLE PROOF IN SUPPORT OF PAYMENTS CLAIMED TO BE PAID ON
2 BEHALF OF A QUALIFIED EMPLOYEE FOR HIS OR HER QUALIFIED STUDENT
3 LOAN UNDER THIS SECTION. THE FORM SHALL INCLUDE, AT A MINIMUM, ALL
4 OF THE FOLLOWING:

5 (A) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR
6 THE MICHIGAN TREASURY NUMBER ASSIGNED.

7 (B) THE NAME AND ADDRESS OF THE QUALIFIED EMPLOYEE.

8 (C) THE DATE AND AMOUNT OF EACH PAYMENT MADE TOWARD A
9 QUALIFIED STUDENT LOAN.

10 (D) ANY OTHER CRITERIA THAT THE DEPARTMENT CONSIDERS
11 APPROPRIATE FOR THE DETERMINATION OF ELIGIBILITY FOR THE CREDIT
12 UNDER THIS SECTION.

13 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
14 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
15 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY OF THE
16 TAXPAYER FOR THE TAX YEAR SHALL NOT BE REFUNDED BUT MAY BE CARRIED
17 FORWARD TO OFFSET TAX LIABILITY UNDER THIS ACT IN SUBSEQUENT TAX
18 YEARS FOR A PERIOD NOT TO EXCEED 10 TAX YEARS OR UNTIL USED UP,
19 WHICHEVER OCCURS FIRST.

20 (4) AS USED IN THIS SECTION:

21 (A) "APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS ANY
22 OF THE FOLLOWING:

23 (i) A COLLEGE, UNIVERSITY, COMMUNITY COLLEGE, OR JUNIOR COLLEGE
24 DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE
25 CONSTITUTION OF 1963 OR ESTABLISHED UNDER SECTION 7 OF ARTICLE VIII
26 OF THE STATE CONSTITUTION OF 1963.

27 (ii) AN INDEPENDENT NONPROFIT COLLEGE OR UNIVERSITY LOCATED IN

1 THIS STATE.

2 (B) "QUALIFIED EMPLOYEE" MEANS AN EMPLOYEE WHO RECEIVED A
3 BACHELOR'S DEGREE FROM AN APPROVED POSTSECONDARY EDUCATIONAL
4 INSTITUTION AFTER DECEMBER 31, 2014 AND WHO IS A RESIDENT OF THIS
5 STATE.

6 (C) "QUALIFIED STUDENT LOAN" MEANS ANY STATE OR FEDERAL LOANS
7 INCURRED TO ATTEND AND RECEIVE A BACHELOR'S DEGREE FROM AN APPROVED
8 POSTSECONDARY EDUCATIONAL INSTITUTION, INCLUDING, BUT NOT LIMITED
9 TO, STATE LOANS AUTHORIZED UNDER THE HIGHER EDUCATION LOAN
10 AUTHORITY ACT, 1975 PA 222, MCL 390.1151 TO 390.1165, AND FEDERAL
11 LOANS AUTHORIZED UNDER THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW
12 89-329, 20 USC 1001 TO 1161AA-1.