

SENATE BILL No. 408

June 4, 2013, Introduced by Senators ANDERSON, GREGORY, JONES, HUNTER, ANANICH, WARREN, BIEDA, SMITH, HOPGOOD, ROCCA, WHITMER and HOOD and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding section 275.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 275. (1) BEGINNING ON AND AFTER JANUARY 1, 2013, A
2 QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
3 THIS PART EQUAL TO 50% OF THE AMOUNT PAID ON A QUALIFIED STUDENT
4 LOAN BY THE QUALIFIED TAXPAYER DURING THE TAX YEAR. A QUALIFIED
5 TAXPAYER SHALL NOT CLAIM A CREDIT OF MORE THAN 20% OF THE AVERAGE
6 YEARLY TUITION FOR MICHIGAN'S PUBLIC UNIVERSITIES UNDER THIS
7 SECTION FOR ANY SINGLE TAX YEAR.

8 (2) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE
9 QUALIFIED TAXPAYER SHALL PROVIDE THE DEPARTMENT WITH PROOF OF
10 RESIDENCY AND PROOF OF EMPLOYMENT IN THIS STATE. THE DEPARTMENT MAY
11 ALSO REQUIRE REASONABLE PROOF FROM THE QUALIFIED TAXPAYER IN
12 SUPPORT OF PAYMENTS CLAIMED TO BE PAID FOR A QUALIFIED STUDENT LOAN

1 UNDER THIS SECTION.

2 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
3 QUALIFIED TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION
4 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL BE REFUNDED.

5 (4) AS USED IN THIS SECTION:

6 (A) "APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION" MEANS ANY
7 OF THE FOLLOWING:

8 (i) A COLLEGE, UNIVERSITY, COMMUNITY COLLEGE, OR JUNIOR COLLEGE
9 DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE
10 CONSTITUTION OF 1963 OR ESTABLISHED UNDER SECTION 7 OF ARTICLE VIII
11 OF THE STATE CONSTITUTION OF 1963.

12 (ii) AN INDEPENDENT NONPROFIT COLLEGE OR UNIVERSITY LOCATED IN
13 THIS STATE.

14 (B) "PROOF OF RESIDENCY" MEANS A FILED MICHIGAN INDIVIDUAL
15 INCOME TAX RETURN THAT INCLUDES THE TAXPAYER'S CERTIFICATION THAT
16 HE OR SHE IS A RESIDENT, A SIGNED AFFIDAVIT OF MICHIGAN RESIDENCY,
17 OR OTHER PROOF OF RESIDENCY ACCEPTABLE TO THE DEPARTMENT.

18 (C) "QUALIFIED STUDENT LOAN" MEANS ANY STATE OR FEDERAL LOANS
19 INCURRED TO ATTEND AND RECEIVE A BACHELOR'S DEGREE FROM AN APPROVED
20 POSTSECONDARY EDUCATIONAL INSTITUTION, INCLUDING, BUT NOT LIMITED
21 TO, STATE LOANS AUTHORIZED UNDER THE HIGHER EDUCATION LOAN
22 AUTHORITY ACT, 1975 PA 222, MCL 390.1151 TO 390.1165, AND FEDERAL
23 LOANS AUTHORIZED UNDER THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW
24 89-329, 20 USC 1001 TO 1155.

25 (D) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WHO ATTENDED AN
26 APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION AND RECEIVED A
27 BACHELOR'S DEGREE FROM THAT INSTITUTION, WHO IS A RESIDENT OF THIS

1 STATE, AND WHO IS EMPLOYED IN THIS STATE.