

HOUSE BILL No. 5967

October 19, 2016, Introduced by Rep. Zemke 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 280.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 280. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY 1,
2 2017, A QUALIFIED TAXPAYER WHO IS EMPLOYED DURING THE TAX YEAR AS A
3 TEACHER, SCHOOL ADMINISTRATOR, OR SCHOOL SUPERINTENDENT AT AN AT-
4 RISK SCHOOL IN THIS STATE MAY CLAIM A CREDIT AGAINST THE TAX
5 IMPOSED BY THIS PART EQUAL TO 100% OF THE AMOUNT PAID ON A
6 QUALIFIED STUDENT LOAN BY THE QUALIFIED TAXPAYER DURING THE TAX
7 YEAR.

8 (2) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE
9 QUALIFIED TAXPAYER SHALL PROVIDE THE DEPARTMENT WITH PROOF OF

1 RESIDENCY AND PROOF OF EMPLOYMENT WITHIN AN AT-RISK SCHOOL IN THIS
2 STATE.

3 (3) IF THE CREDIT ALLOWED BY THIS SECTION EXCEEDS THE TAX
4 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
5 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

6 (4) AS USED IN THIS SECTION:

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

9 (i) A PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY, JUNIOR COLLEGE,
10 OR COMMUNITY COLLEGE THAT GRANTS DEGREES OR CERTIFICATES AND IS
11 LOCATED IN THIS STATE.

12 (ii) A POSTSECONDARY EDUCATIONAL INSTITUTION, OTHER THAN AN
13 EDUCATIONAL INSTITUTION DESCRIBED IN SUBPARAGRAPH (i), THAT IS
14 LOCATED IN THIS STATE, GRANTS DEGREES, CERTIFICATES, OR OTHER
15 RECOGNIZED CREDENTIALS, AND IS DESIGNATED BY THE DEPARTMENT AS AN
16 APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION.

17 (B) "AT-RISK SCHOOL" MEANS A PUBLIC OR NONPUBLIC ELEMENTARY OR
18 SECONDARY SCHOOL WHERE AT LEAST 50% OF STUDENTS AT THE SCHOOL MEET
19 THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK
20 IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED UNDER
21 THE NATIONAL SCHOOL LUNCH ACT, 42 USC 1751.

22 (C) "PROOF OF RESIDENCY" MEANS A FILED MICHIGAN INDIVIDUAL
23 INCOME TAX RETURN THAT INCLUDES THE TAXPAYER'S CERTIFICATION THAT
24 HE OR SHE IS A RESIDENT, A SIGNED AFFIDAVIT OF MICHIGAN RESIDENCY,
25 OR OTHER PROOF OF RESIDENCY ACCEPTABLE TO THE DEPARTMENT.

26 (D) "QUALIFIED STUDENT LOAN" MEANS ANY STATE OR FEDERAL LOANS
27 INCURRED TO ATTEND AND RECEIVE A DEGREE FROM AN APPROVED

1 POSTSECONDARY EDUCATIONAL INSTITUTION, INCLUDING, BUT NOT LIMITED
2 TO, STATE LOANS AUTHORIZED UNDER THE HIGHER EDUCATION LOAN
3 AUTHORITY ACT, 1975 PA 222, MCL 390.1151 TO 390.1165, AND FEDERAL
4 LOANS AUTHORIZED UNDER THE HIGHER EDUCATION ACT OF 1965, PUBLIC LAW
5 89-329, 20 USC 1001 TO 1161AA-1.

6 (E) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WHO RECEIVED A
7 DEGREE FROM AN APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION AFTER
8 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION
9 AND WHO IS A RESIDENT OF THIS STATE.