

HOUSE BILL No. 5825

April 18, 2018, Introduced by Rep. Kosowski 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 **2019, SUBJECT TO THE LIMITATIONS UNDER THIS SECTION, A QUALIFIED**
3 **TAXPAYER MAY CLAIM A CREDIT OF \$750.00 AGAINST THE TAX IMPOSED BY**
4 **THIS PART. THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE REDUCED**
5 **BY 10% FOR EACH QUALIFIED TAXPAYER WHOSE ADJUSTED GROSS INCOME**
6 **EXCEEDS \$50,000.00 AND BY AN ADDITIONAL 10% FOR EACH INCREMENT OF**
7 **\$1,000.00 OF ADJUSTED GROSS INCOME IN EXCESS OF \$50,000.00.**

8 **(2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX**
9 **LIABILITY OF THE QUALIFIED TAXPAYER FOR THE TAX YEAR, THAT PORTION**
10 **OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.**

11 **(3) AS USED IN THIS SECTION:**

1 (A) "QUALIFIED TAXPAYER" MEANS A VETERAN WHO SEPARATED FROM
2 MILITARY SERVICE DURING THE TAX YEAR AND WHO SATISFIES AT LEAST 1
3 OF THE FOLLOWING:

4 (i) HAS SERVED AT LEAST 20 YEARS IN THE MILITARY.

5 (ii) HAS BEEN DETERMINED BY THE UNITED STATES DEPARTMENT OF
6 VETERANS AFFAIRS TO BE PERMANENTLY AND TOTALLY DISABLED AS A RESULT
7 OF MILITARY SERVICE AND ENTITLED TO VETERANS' BENEFITS AT THE 100%
8 RATE.

9 (iii) HAS BEEN DETERMINED BY THE UNITED STATES DEPARTMENT OF
10 VETERANS AFFAIRS TO BE ELIGIBLE FOR PENSION OR OTHER RETIREMENT
11 BENEFITS FOR SERVICES IN THE UNITED STATES ARMED FORCES.

12 (B) "VETERAN" MEANS AN INDIVIDUAL WHO SERVED IN THE UNITED
13 STATES ARMED FORCES, INCLUDING RESERVE COMPONENTS, AND WAS
14 DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE.