

HOUSE BILL NO. 4820

May 11, 2021, Introduced by Rep. Outman and referred to the Committee on Tax Policy.

A bill to amend 1986 PA 316, entitled
"Michigan education trust act,"
by amending section 4 (MCL 390.1424).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. As used in this act, except where the context clearly
2 requires otherwise:

3 (a) "Advance tuition payment contract" means a contract
4 entered into by the trust and a purchaser pursuant to section 6 to
5 provide for the higher education of a qualified beneficiary.

1 (b) "Board" means the board of directors of the Michigan
2 education trust described in section 10.

3 (c) "Fund" means the advance tuition payment fund created in
4 section 9.

5 (d) **"Internal revenue code of 1986" means the internal revenue**
6 **code of 1986, 26 USC 1 to 9834, in effect on January 1, 2021.**

7 (e) ~~(d)~~—"Purchaser" means a person who makes or is obligated
8 to make advance tuition payments pursuant to an advance tuition
9 payment contract.

10 (f) ~~(e)~~—"Qualified beneficiary" means any resident of this
11 state.

12 (g) ~~(f)~~—"State institution of higher education" means a
13 college or university described in section 4, 5, or 6 of article
14 VIII of the state constitution of 1963 or any 4-year degree-
15 granting institution established by ~~the~~ **this** state after ~~the~~
16 ~~effective date of this act,~~ **December 23, 1986**, which institution is
17 designated by ~~the~~ **this** state as a state institution of higher
18 education for purposes of this act.

19 (h) ~~(g)~~—"Trust" means the Michigan education trust created in
20 section 5.

21 (i) ~~(h)~~—"Tuition" means the quarter or semester charges
22 imposed to attend a state institution of higher education and all
23 mandatory fees required as a condition of enrollment as determined
24 by the board.

25 (j) ~~(i)~~—"Weighted average tuition cost of state institutions
26 of higher education" means the tuition cost arrived at by adding
27 the products of the annual undergraduate tuition cost at each state
28 institution of higher education and its total number of
29 undergraduate fiscal year equated students, and then dividing the

- 1 gross total of this cumulation by the total number of undergraduate
- 2 fiscal year equated students attending state institutions of higher
- 3 education.