

HOUSE BILL NO. 5772

May 30, 2024, Introduced by Reps. Bierlein, Hoskins, Hood and Martus 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 206.847) by adding section 714.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 714. (1) For tax years beginning on and after January 1,
2 2024, an employer that is an organization exempt under section
3 501(c) of the internal revenue code may claim a work opportunity
4 tax credit against the taxes required to be withheld and remitted
5 to this state under this chapter for qualified wages paid to

1 qualified employees in an amount equal to 50% of the amount of the
2 credit the employer is allowed to claim as a credit under section
3 51 of the internal revenue code for a tax year on a return or
4 report filed under this chapter for the same tax year. In
5 calculating the amount of the credit allowed under this section,
6 the employer shall exclude from the amount of the credit allowed
7 under section 51 of the internal revenue code for that same tax
8 year, both of the following:

9 (a) Any amount attributable to employees who were not
10 qualified employees.

11 (b) Any amount of unused credits that is carried back or
12 forward from another tax year in accordance with section 39 of the
13 internal revenue code.

14 (2) An employer claiming a credit under this section against
15 the withholdings tax payments made under this chapter shall, in a
16 form and content as prescribed by the department, claim the credit
17 on the annual return or report required under section 711 for that
18 same tax year.

19 (3) If the credit allowed under this section for the tax year
20 exceeds the employer's withholdings tax liability under this
21 chapter, that portion that exceeds the withholdings tax liability
22 for the tax year must not be refunded.

23 (4) As used in this section:

24 (a) "Qualified employee" means an employee who has been
25 certified by the Michigan unemployment insurance agency as a member
26 of a targeted group and is employed in this state.

27 (b) "Qualified wages" means the wages paid or incurred by the
28 employer during the tax year to qualified employees.

29 Enacting section 1. This amendatory act does not take effect

- 1 unless Senate Bill No.____ or House Bill No. 5771 (request no.
- 2 04853'23) of the 102nd Legislature is enacted into law.