



HOUSE BILL No. 5077

September 19, 1995, Introduced by Reps. LeTarte, McBryde, Kukuk, Crissman, Voorhees, Green, Schroer, Goschka, Nye, Middleton, Gernaat, Gubow, Geiger, Brewer, Fitzgerald, Brackenridge, Cropsey, Berman and Pitoniak and referred to the Committee on Tax Policy.

A bill to amend section 274 of Act No. 281 of the Public Acts of 1967, entitled "Income tax act of 1967," as added by Act No. 7 of the Public Acts of 1995, being section 206.274 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 274 of Act No. 281 of the Public Acts of
2 1967, as added by Act No. 7 of the Public Acts of 1995, being
3 section 206.274 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 274. (1) For the 1995 tax year and each tax year after
6 the 1995 tax year and subject to the limitations in this section,
7 a claimant who has household income of \$200,000.00 or less and
8 who is a resident of this state may claim a credit against the
9 tax due under this act for fees uniformly required to be paid by

1 all students and tuition paid by the claimant on behalf of the
2 claimant or any other student to a qualified institution of
3 higher learning.

4 (2) A claimant may claim a credit under this section equal
5 to 4% of the sum of all fees uniformly required to be paid by all
6 students and tuition paid, not to exceed \$250.00 for each student
7 for each tax year.

8 (3) A credit shall not be claimed under this section for
9 more than 4 tax years for any 1 student.

10 (4) The credit under this section shall be claimed on a sep-
11 arate form exclusive of any other form required by this act.

12 (5) The department may require reasonable proof from the
13 claimant in support of the fees and tuition payments claimed
14 under this section.

15 (6) The department may promulgate rules pursuant to the
16 administrative procedures act of 1969, Act No. 306 of the Public
17 Acts of 1969, being sections 24.201 to 24.328 of the Michigan
18 Compiled Laws.

19 (7) The total amount of credits claimed for tuition and fees
20 paid by or on behalf of any 1 student shall not exceed the maxi-
21 mum amount allowable under subsection (2).

22 (8) As used in this section:

23 (a) "Qualified institution of higher learning" means an
24 institution that meets all of the following criteria:

25 (i) The institution meets the criteria for an institution of
26 higher learning under section 260.

1 (ii) The institution is located in this state.

2 (iii) The instructional programs of the institution are not
3 comprised solely of sectarian instruction or religious worship.

4 ~~(iv) The institution has provided a letter of notification~~
5 ~~to the state treasurer before July 1 of the tax year that states~~
6 ~~that the institution will not increase tuition rates during the~~
7 ~~ensuing academic year by more than the annual average percentage~~
8 ~~increase in the United States consumer price index in the immedi-~~
9 ~~ately preceding tax year.~~

10 (b) "Tuition" means tuition paid for credits for an under-
11 graduate degree program or credits granted by a community college
12 toward a degree program or granted for the purpose of transfer-
13 ring those credits toward an undergraduate degree program less
14 any refunds of tuition received by the claimant or student.

15 ~~(c) "United States consumer price index" means the United~~
16 ~~States consumer price index for all urban consumers as defined~~
17 ~~and reported by the United States department of labor, bureau of~~
18 ~~labor statistics, and as certified by the state treasurer.~~