



SENATE BILL No. 1003

May 2, 1996, Introduced by Senators SCHUETTE, MC MANUS, SHUGARS, BENNETT and STEIL and referred to the Committee on Human Resources, Labor and Veterans Affairs.

A bill to amend Act No. 281 of the Public Acts of 1967, entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, by adding section 266.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 281 of the Public Acts of 1967, as
2 amended, being sections 206.1 to 206.532 of the Michigan Compiled
3 Laws, is amended by adding section 266 to read as follows:

4 SEC. 266. (1) FOR THE 1996 TAX YEAR AND EACH TAX YEAR AFTER
5 1996, A TAXPAYER, OTHER THAN A RESIDENT ESTATE OR TRUST, MAY
6 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT AN AMOUNT EQUAL TO
7 3.3% OF THE AMOUNT CONTRIBUTED IN THE TAX YEAR BY THE TAXPAYER OR
8 ON BEHALF OF THE TAXPAYER TO AN INDIVIDUAL UNEMPLOYMENT SAVINGS
9 ACCOUNT TO THE EXTENT THAT THE CONTRIBUTION IS ACCEPTED BY AN

1 ACCOUNT ADMINISTRATOR PURSUANT TO THE INDIVIDUAL UNEMPLOYMENT
2 SAVINGS ACCOUNT ACT.

3 (2) IF THE TAXPAYER FILES A JOINT RETURN, EACH JOINT FILER
4 MAY TAKE THE CREDIT UNDER THIS SECTION. IF THE TAXPAYER IS MAR-
5 RIED AND FILES A SINGLE RETURN OR IS NOT MARRIED, THE TAXPAYER
6 MAY TAKE THE CREDIT UNDER THIS SECTION.

7 (3) A TAXPAYER SHALL DEDUCT FROM THE AMOUNT OF A CONTRIBU-
8 TION USED TO CALCULATE THE CREDIT UNDER THIS SECTION ANY AMOUNT
9 THAT THE TAXPAYER WITHDRAWS IN THE TAX YEAR FOR A PURPOSE OTHER
10 THAN 1 OF THE FOLLOWING:

11 (A) A PURPOSE FOR WHICH THOSE FUNDS MAY BE UTILIZED AS
12 DESCRIBED IN SECTION 4(3) OF THE INDIVIDUAL UNEMPLOYMENT SAVINGS
13 ACCOUNT ACT.

14 (B) A DISTRIBUTION OR TRANSFER PURSUANT TO SECTION 5(3) OF
15 THE INDIVIDUAL UNEMPLOYMENT SAVINGS ACCOUNT ACT.

16 (4) IF THE AMOUNT OF THE CREDIT EXCEEDS THE TAX LIABILITY OF
17 THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE CREDIT THAT
18 EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.

19 (5) AS USED IN THIS SECTION, "ACCOUNT ADMINISTRATOR" AND
20 "INDIVIDUAL UNEMPLOYMENT SAVINGS ACCOUNT" MEAN THOSE TERMS AS
21 DEFINED IN THE INDIVIDUAL UNEMPLOYMENT SAVINGS ACCOUNT ACT.

22 Section 2. This amendatory act shall not take effect unless
23 Senate Bill No. 1002

24 of the 88th Legislature is enacted into law.