

HOUSE BILL No. 4758

May 10, 2001, Introduced by Reps. Raczkowski, Bob Brown, Gielegem and Woronchak and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
by amending section 38e (MCL 208.38e), as amended by 1999 PA
184.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 38e. (1) A taxpayer may claim a credit against the tax
2 imposed by this act equal to the sum of 50% of the qualified
3 expenses defined in subsection ~~—(5)(d)(i)—~~ (5)(E)(i) and (ii) and
4 100% of the qualified expenses defined in subsection
5 ~~—(5)(d)(iii)—~~ (5)(E)(iii) paid by the taxpayer in the tax year,
6 not to exceed \$2,000.00 for each apprentice trained by the tax-
7 payer in the tax year.

8 (2) If the credit allowed under this section exceeds the tax
9 liability of the taxpayer under this act for the tax year, that

1 portion of the credit that exceeds the tax liability shall be
2 refunded.

3 (3) The credit allowed under this section shall be claimed
4 on the annual return required under section 73, or for a taxpayer
5 that is not required to file an annual return, the department
6 shall provide that the credit under this subsection may be
7 claimed on the C-8044 form, a successor form for persons not
8 required to file an annual return, or other simplified form pre-
9 scribed by the department.

10 (4) For each year that this credit is in effect, the
11 ~~Michigan~~ department of career development shall prepare a
12 report containing information including but not limited to the
13 number of companies taking advantage of the apprenticeship
14 credit, the number of apprentices participating in the program,
15 the number of apprentices who complete a program the costs of
16 which were the basis of a credit under this section, the number
17 of apprentices that were hired by the taxpayer after the appren-
18 ticeship training was completed for which the taxpayer claimed a
19 credit under this section for the costs of training that appren-
20 tice, information on the employment status of individuals who
21 have completed an apprenticeship to the extent the information is
22 available, and the fiscal impact of the apprenticeship credit.
23 This report shall then be transmitted to the house tax policy and
24 senate finance committees and to the house and senate appropria-
25 tions committees. This report ~~shall be~~ IS due no later than
26 the first day of March each year.

(5) As used in this section:

(a) "Apprentice" means a person who is a resident of this state, is 16 years of age or older but younger than 20 years of age, has not obtained a high school diploma, is enrolled in high school or a general education development (G.E.D.) test preparation program OR IN A LITERACY CENTER, and is trained by a taxpayer through a program that meets all of the following criteria:

(i) The program is registered with the bureau of apprenticeship and training of the United States department of labor.

(ii) The program is provided pursuant to an apprenticeship agreement signed by the taxpayer and the apprentice.

(iii) The program is filed with a local workforce development board.

(iv) The minimum term in hours for the program shall be not less than 4,000 hours.

(b) "Enrolled" means currently enrolled or expecting to enroll after a period of less than 3 months during which the program is not in operation and the apprentice is not enrolled.

(C) "LITERACY CENTER" MEANS A PRIVATE ENTITY THAT EXCLUSIVELY OFFERS EDUCATIONAL ASSISTANCE TO INDIVIDUALS WITH LEARNING DISORDERS RELATED TO READING.

(D) ~~-(c)-~~ "Local workforce development board" means a board established by the chief elected official of a local unit of government pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, that has the responsibility to ensure that

1 the workforce needs of the employers in the geographic area
2 governed by the local unit of government are met.

3 (E) ~~(d)~~ "Qualified expenses" means all of the following
4 expenses paid by the taxpayer in a tax year that begins after
5 December 31, 1996 that were not paid for with funds the taxpayer
6 received or retained that the taxpayer would not otherwise have
7 received or retained and that are used for training an
8 apprentice:

9 (i) Salary and wages paid to an apprentice.

10 (ii) Fringe benefits and other payroll expenses paid for the
11 benefit of an apprentice.

12 (iii) Costs of classroom instruction and related expenses
13 identified as costs for which the taxpayer is responsible under
14 an apprenticeship agreement, including but not limited to
15 tuition, fees, and books for college level courses taken while
16 the apprentice is enrolled in high school.