

HOUSE BILL No. 6472

November 7, 2002, Introduced by Rep. Kolb 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 206.532) by adding section 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 269. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2002, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
3 THIS ACT EQUAL TO THE FOLLOWING PERCENTAGES OF THE COST OF DAY
4 CARE IN THE FOLLOWING CIRCUMSTANCES:

5 (A) IF THE HOUSEHOLD INCOME OF THE FAMILY IS BELOW 250% OF
6 THE FEDERAL POVERTY GUIDELINES FOR THE FAMILY SIZE OF THE TAXPAY-
7 ER, 100%.

8 (B) IF THE HOUSEHOLD INCOME OF THE FAMILY IS AT OR ABOVE
9 250% OF THE FEDERAL POVERTY GUIDELINES BUT BELOW 350% OF THE
10 FEDERAL POVERTY GUIDELINES FOR THE FAMILY SIZE OF THE TAXPAYER,
11 75%.

1 (C) IF THE HOUSEHOLD INCOME OF THE FAMILY IS AT OR ABOVE
2 350% OF THE FEDERAL POVERTY GUIDELINES BUT BELOW 450% OF THE FED-
3 ERAL POVERTY GUIDELINES FOR THE FAMILY SIZE OF THE TAXPAYER,
4 50%.

5 (D) IF THE HOUSEHOLD INCOME OF THE FAMILY IS AT OR ABOVE
6 450% OF THE FEDERAL POVERTY GUIDELINES FOR THE FAMILY SIZE OF THE
7 TAXPAYER, 25%.

8 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
9 EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT POR-
10 TION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
11 REFUNDED.

12 (3) AS USED IN THIS SECTION:

13 (A) "CHILD CARE" MEANS CARE PROVIDED IN A CHILD CARE CENTER,
14 DAY CARE CENTER, FAMILY DAY CARE HOME, OR GROUP FAMILY DAY CARE
15 HOME AS THOSE TERMS ARE DEFINED IN SECTION 1 OF 1973 PA 116, MCL
16 722.111, AND LICENSED OR REGISTERED UNDER 1973 PA 116, MCL
17 722.111 TO 722.128.

18 (B) "COST OF DAY CARE" MEANS THE COST PAID FOR CHILD CARE OR
19 ADULT DAY CARE PROVIDED TO A DEPENDENT OF THE TAXPAYER MINUS ANY
20 AMOUNT REIMBURSED TO THE TAXPAYER FROM ANY SOURCE.

21 (C) "FEDERAL POVERTY GUIDELINES" MEANS THE POVERTY GUIDE-
22 LINES UPDATED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED
23 STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER AUTHORITY OF
24 SECTION 673 OF SUBTITLE B OF TITLE VI OF THE OMNIBUS BUDGET REC-
25 ONCILIATION ACT OF 1981, PUBLIC LAW 97-35, 42 U.S.C. 9902.