

**COLLEGE TUITION TAX CREDIT:  
REMOVE TUITION CAP**

**House Bill 4912**  
**Sponsor: Rep. Steve Bieda**  
**Committee: Tax Policy**

**Complete to 1-14-03**

**A SUMMARY OF HOUSE BILL 4912 AS INTRODUCED 7-1-03**

Under the Income Tax Act, a taxpayer can claim a non-refundable credit for eight percent of undergraduate tuition and uniformly required fees paid to a Michigan college or university, with a maximum credit of \$375 per student per year for up to four years. The tax credit is only available to qualified individuals (i.e. state residents with an adjusted gross income of less than \$200,000) and only if the student is attending an institution that promises not to raise fees and tuition rates for the next academic year by more than the rate of inflation. Under House Bill 4912, the requirement that the institution limit its tuition increase to the rate of inflation would no longer apply after the 2002 tax year.

MCL 206.274

House Bill 4912 (1-14-03)

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.