

# SENATE BILL No. 853

September 21, 2009, Introduced by Senators JACOBS, HUNTER, CLARKE, KUIPERS, JANSEN and WHITMER and referred to the Committee on Finance.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1101 to 208.1601) by adding section 465.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 465. (1) AN ELIGIBLE TAXPAYER MAY CLAIM A CREDIT AGAINST  
2        THE TAX IMPOSED BY THIS ACT EQUAL TO 50% OF THE AMOUNT OF QUALIFIED  
3        UNDERGRADUATE LOANS REPAYED BY THE ELIGIBLE TAXPAYER FOR EMPLOYEES  
4        IN THE TAX YEAR FOR WHICH THE CREDIT IS CLAIMED OR \$5,000.00 PER  
5        EMPLOYEE, WHICHEVER IS LESS.

6        (2) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION  
7        UNLESS THE MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY HAS  
8        ISSUED A CERTIFICATE TO THE TAXPAYER. THE TAXPAYER SHALL ATTACH THE  
9        CERTIFICATE TO THE RETURN FILED UNDER THIS ACT ON WHICH A CREDIT  
10       UNDER THIS SECTION IS CLAIMED. THE CERTIFICATE REQUIRED BY THIS

SUBSECTION SHALL STATE ALL OF THE FOLLOWING:

(A) THE TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER OR THE MICHIGAN TREASURY NUMBER ASSIGNED.

(B) THE TAXPAYER IS AN ELIGIBLE TAXPAYER.

(C) THE DATE AND AMOUNT OF EACH LOAN REPAYMENT MADE ON A QUALIFIED UNDERGRADUATE LOAN.

(D) ANY OTHER CRITERIA THAT THE MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY OR THE DEPARTMENT CONSIDERS APPROPRIATE FOR THE DETERMINATION OF ELIGIBILITY FOR THE CREDIT UNDER THIS SECTION.

(3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL BE REFUNDED.

(4) AS USED IN THIS SECTION:

(A) "ELIGIBLE EDUCATIONAL INSTITUTION" MEANS THAT TERM AS DEFINED IN SECTION 529 OF THE INTERNAL REVENUE CODE OR A COLLEGE, UNIVERSITY, COMMUNITY COLLEGE, OR JUNIOR COLLEGE DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963 OR ESTABLISHED UNDER SECTION 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963.

(B) "ELIGIBLE TAXPAYER" MEANS AN EMPLOYER THAT MEETS ALL OF THE FOLLOWING:

(i) PAID THE EMPLOYEE FOR WHOM THE LOAN REPAYMENT IS MADE AN ANNUAL SALARY OR WAGE OF AT LEAST \$25,000.00.

(ii) EMPLOYED THE EMPLOYEE FOR WHOM THE LOAN REPAYMENT IS MADE FOR SERVICES OR WORK DONE PRIMARILY IN THIS STATE.

(iii) BEGAN REPAYMENT OF THE QUALIFIED UNDERGRADUATE LOAN WITHIN 6 MONTHS OF THE INITIAL HIRING DATE OF THE EMPLOYEE FOR WHOM THE

1 LOAN REPAYMENT IS MADE. FOR PURPOSES OF THIS SUBDIVISION, AN  
2 EMPLOYEE WHO IS ALREADY EMPLOYED BY THE EMPLOYER ON THE EFFECTIVE  
3 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION IS CONSIDERED TO  
4 BE INITIALLY HIRED ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
5 ADDED THIS SECTION.

6 (C) "MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY" MEANS  
7 THE MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY CREATED IN  
8 SECTION 3 OF THE HIGHER EDUCATION LOAN AUTHORITY ACT, 1975 PA 222,  
9 MCL 390.1153.

10 (D) "QUALIFIED UNDERGRADUATE LOAN" MEANS A FEDERALLY  
11 GUARANTEED STUDENT LOAN AUTHORIZED UNDER THE HIGHER EDUCATION ACT  
12 OF 1965, PUBLIC LAW 89-329, 20 USC 1001 TO 1155.