

HOUSE BILL No. 5647

March 9, 1992, Introduced by Rep. Bryant and referred to the Committee on Taxation.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled

"Single business tax act,"

as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 39b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 39b to read as follows:

4 SEC. 39B. (1) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER
5 1993, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
6 THIS ACT FOR THE TAX YEAR OF \$1,000.00 FOR THE FIRST YEAR OF
7 EMPLOYMENT AND \$500.00 FOR A SECOND YEAR OF EMPLOYMENT FOR EACH
8 UNEMPLOYED PERSON HIRED BY THE TAXPAYER AFTER THE EFFECTIVE DATE
9 OF THIS SECTION IF ALL OF THE FOLLOWING CRITERIA ARE MET:

1 (A) EXCEPT AS PROVIDED IN SUBSECTION (2), AT THE TIME THAT
2 THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED FOR THE FIRST
3 YEAR, THE UNEMPLOYED PERSON HAS BEEN EMPLOYED BY THE TAXPAYER FOR
4 12 CONSECUTIVE MONTHS AFTER THE DATE OF HIRE AND FOR AN AVERAGE
5 OF 30 HOURS PER WEEK.

6 (B) EXCEPT AS PROVIDED IN SUBSECTION (2), AT THE TIME THAT
7 THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED FOR THE SECOND
8 YEAR, THE UNEMPLOYED PERSON HAS BEEN EMPLOYED BY THE TAXPAYER FOR
9 24 CONSECUTIVE MONTHS AFTER THE DATE OF HIRE AND FOR AN AVERAGE
10 OF 30 HOURS PER WEEK.

11 (2) IF A TAXPAYER DISCHARGES, FOR JUST CAUSE, AN EMPLOYEE
12 WHO WAS AN UNEMPLOYED PERSON FOR WHOM THE TAXPAYER IS ELIGIBLE TO
13 CLAIM A CREDIT UNDER THIS SECTION BEFORE THE EXPIRATION OF THE
14 PERIOD OF EMPLOYMENT REQUIRED UNDER SUBSECTION (1), THE CREDIT
15 SHALL BE PRORATED FOR THE PERIOD OF THE UNEMPLOYED PERSON'S
16 EMPLOYMENT.

17 (3) THE TAXPAYER SHALL SUBMIT VERIFICATION FROM THE MICHIGAN
18 EMPLOYMENT SECURITY COMMISSION THAT THE EMPLOYEE IS AN UNEMPLOYED
19 PERSON WITH THE TAX RETURN ON WHICH THE TAXPAYER CLAIMS THE
20 CREDIT ALLOWED UNDER THIS SECTION.

21 (4) THE TAXPAYER SHALL SUBMIT AN ANNUAL WAGE AND HOUR STATE-
22 MENT FOR EACH UNEMPLOYED PERSON FOR WHICH THE TAXPAYER CLAIMS A
23 CREDIT UNDER THIS SECTION WITH THE TAX RETURN ON WHICH THE TAX-
24 PAYER CLAIMS THE CREDIT.

25 (5) A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION
26 IF HE OR SHE DISCHARGES AN EMPLOYEE IN ORDER TO HIRE AN

1 UNEMPLOYED PERSON TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS
2 SECTION.

3 (6) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
4 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS
5 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
6 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
7 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
8 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
9 WHICHEVER OCCURS FIRST.

10 (7) AS USED IN THIS SECTION, "UNEMPLOYED PERSON" MEANS A
11 PERSON WHO HAS NOT BEEN EMPLOYED OR A FULL-TIME STUDENT AT ANY
12 TIME DURING THE 6 MONTHS IMMEDIATELY PRECEDING HIS OR HER DATE OF
13 HIRE BY THE TAXPAYER CLAIMING A CREDIT UNDER THIS SECTION.