



HOUSE BILL No. 4958

July 15, 1993, Introduced by Reps. Owen, Curtis, Harder, Profit, Freeman, Rocca, Keith, Allen, Johnson, Shugars, Porreca, Nye, Schroer, Bender, Jaye, Martin, Wetters, Anthony, Jacobetti, Harrison, Gagliardi and DeLange 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:

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

SEC. 39B. (1) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER 1993, A TAXPAYER THAT IS A QUALIFIED EMPLOYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR A TAX YEAR EQUAL TO THE SUM OF THE FOLLOWING:

1 (A) 40% OF THE FIRST \$10,000.00 IN WAGES OR COMPENSATION
2 PAID TO EACH EMPLOYEE WITH DEVELOPMENTAL DISABILITIES IN THE TAX
3 YEAR.

4 (B) 100% OF THE INCREASE IN WORKER'S COMPENSATION PAYMENTS
5 PAID DURING THE TAX YEAR THAT IS DUE TO HIRING AN EMPLOYEE WITH
6 DEVELOPMENTAL DISABILITIES AND IS BASED UPON THE DISABLING CONDI-
7 TION OF THE EMPLOYEE.

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

15 (3) IF A QUALIFIED EMPLOYER DISCONTINUES THE EMPLOYMENT OF
16 AN EMPLOYEE WITH DEVELOPMENTAL DISABILITIES AFTER RECEIVING A
17 CREDIT UNDER THIS SECTION FOR WAGES PAID TO THAT EMPLOYEE, ALL
18 UNCLAIMED CREDIT AMOUNTS THAT ARE ELIGIBLE TO BE CARRIED FORWARD
19 BASED ON WAGES PAID TO THAT TERMINATED EMPLOYEE WITH DEVELOPMEN-
20 TAL DISABILITIES ARE FORFEITED.

21 (4) AS USED IN THIS SECTION:

22 (A) "DEVELOPMENTAL DISABILITY" MEANS AN IMPAIRMENT OF GEN-
23 ERAL INTELLECTUAL FUNCTIONING OR ADAPTIVE BEHAVIOR THAT MEETS ALL
24 OF THE FOLLOWING CRITERIA:

25 (i) IT ORIGINATED BEFORE THE PERSON BECAME 22 YEARS OF AGE.

26 (ii) IT HAS CONTINUED SINCE ITS ORIGINATION OR CAN BE
27 EXPECTED TO CONTINUE INDEFINITELY.

1 (iii) IT CONSTITUTES A SUBSTANTIAL BURDEN TO THE IMPAIRED
2 PERSON'S ABILITY TO PERFORM NORMALLY IN SOCIETY.

3 (iv) IT IS ATTRIBUTABLE TO 1 OR MORE OF THE FOLLOWING:

4 (A) MENTAL RETARDATION, CEREBRAL PALSY, EPILEPSY, OR
5 AUTISM.

6 (B) ANY OTHER CONDITION OF A PERSON FOUND TO BE CLOSELY
7 RELATED TO MENTAL RETARDATION BECAUSE IT PRODUCES A SIMILAR
8 IMPAIRMENT OR REQUIRES TREATMENT AND SERVICES SIMILAR TO THOSE
9 REQUIRED FOR A PERSON WHO IS MENTALLY RETARDED.

10 (C) DYSLEXIA RESULTING FROM A CONDITION DESCRIBED IN
11 SUB-SUBPARAGRAPH (A) OR (B).

12 (B) "INTEGRATED WORK SETTING" MEANS A WORK SETTING WHERE
13 WORKERS WITH DEVELOPMENTAL DISABILITIES ARE PHYSICALLY PLACED IN
14 THE WORKPLACE TO ENABLE FREQUENT SOCIAL INTERACTION DURING THE
15 WORK DAY WITH INDIVIDUALS WHO ARE NOT DISABLED OR PAID
16 CAREGIVERS.

17 (C) "QUALIFIED EMPLOYER" MEANS A TAXPAYER THAT MEETS ALL OF
18 THE FOLLOWING CRITERIA:

19 (i) EMPLOYS AN EMPLOYEE WITH DEVELOPMENTAL DISABILITIES IN
20 AN INTEGRATED WORK SETTING.

21 (ii) HAS A TARGETED JOBS TAX CREDIT CERTIFICATION FOR EACH
22 EMPLOYEE WITH DEVELOPMENTAL DISABILITIES WHOSE WAGES ARE USED TO
23 CALCULATE A CREDIT UNDER THIS SECTION.

24 (iii) PAYS AT LEAST THE MINIMUM WAGE AS DETERMINED PURSUANT
25 TO THE MINIMUM WAGE LAW OF 1964, ACT NO. 154 OF THE PUBLIC ACTS
26 OF 1964, BEING SECTIONS 408.381 TO 408.398 OF THE MICHIGAN
27 COMPILED LAWS, TO EACH AN EMPLOYEE WITH DEVELOPMENTAL

1 DISABILITIES WHOSE WAGES ARE USED TO CALCULATE A CREDIT UNDER
2 THIS SECTION.

3 (5) THE DEPARTMENT SHALL MAKE A REPORT TO THE LEGISLATURE ON
4 THE IMPACT OF THIS SECTION NOT MORE THAN 5 YEARS AFTER THE EFFEC-
5 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION AND EVERY
6 5 YEARS THEREAFTER.