



# SENATE BILL No. 1276

September 21, 1994, Introduced by Senators WELBORN and CARL  
and referred to the Committee on Education

A bill to amend Act No 281 of the Public Acts of 1967,  
entitled  
"Income tax act of 1967,"  
as amended, being sections 206 1 to 206 532 of the Michigan  
Compiled Laws, by adding section 266

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 281 of the Public Acts of 1967, as  
2 amended, being sections 206 1 to 206 532 of the Michigan Compiled  
3 Laws, is amended by adding section 266 to read as follows  
4 SEC 266 (1) FOR THE 1995 TAX YEAR AND EACH TAX YEAR AFTER  
5 1995 AND SUBJECT TO SUBSECTION (2), A TAXPAYER MAY CREDIT AGAINST  
6 THE TAX IMPOSED BY THIS ACT AN AMOUNT EQUAL TO A CONTRIBUTION  
7 MADE OR EDUCATIONAL EXPENSES PAID TO A QUALIFYING EDUCATIONAL  
8 INSTITUTION DURING THE TAX YEAR ON BEHALF OF 1 OR MORE ELIGIBLE  
9 STUDENTS

1       (2) FOR THE 1995 TAX YEAR, THE CREDIT ALLOWED UNDER THIS  
2 SECTION SHALL NOT EXCEED \$100 00 FOR EACH ELIGIBLE STUDENT  
3 BEGINNING IN THE 1996 TAX YEAR, THE MAXIMUM CREDIT ALLOWED UNDER  
4 THIS SECTION SHALL INCREASE EACH TAX YEAR BY \$200 00 FOR EACH  
5 ELIGIBLE STUDENT UNTIL THE TAX YEAR IN WHICH THE MAXIMUM CREDIT  
6 AMOUNT EQUALS OR EXCEEDS 25% OF THE AVERAGE ANNUAL COST PER STU-  
7 DENT IN PUBLIC K-12 SCHOOLS IN THIS STATE IN THAT TAX YEAR AND  
8 EACH TAX YEAR AFTER THAT YEAR, THE MAXIMUM CREDIT SHALL BE  
9 ADJUSTED TO REMAIN AT 25% OF THE AVERAGE ANNUAL COST PER  
10 STUDENT

11       (3) A TAXPAYER MAY CLAIM THE CREDIT UNDER THIS SECTION FOR  
12 QUALIFYING EDUCATIONAL EXPENSES PAID ON BEHALF OF ANY ELIGIBLE  
13 STUDENT HOWEVER, THE AGGREGATE AMOUNT OF ALL CREDITS CLAIMED  
14 FOR EACH ELIGIBLE STUDENT SHALL NOT EXCEED THE MAXIMUM CREDIT AS  
15 DETERMINED UNDER SUBSECTION (2)

16       (4) FOR A TAXPAYER WHO CLAIMS A CREDIT UNDER THIS SECTION ON  
17 BEHALF OF AN ELIGIBLE STUDENT WHO IS NOT A DEPENDENT OF THE TAX-  
18 PAYER, THE AGGREGATE AMOUNT OF CREDITS CLAIMED FOR ALL ELIGIBLE  
19 STUDENTS BY THAT TAXPAYER SHALL NOT EXCEED \$500 00 OR 25% OF THE  
20 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, WHICHEVER IS LESS

21       (5) THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED  
22 THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR

23       (6) AS USED IN THIS SECTION

24       (A) "AVERAGE ANNUAL COST PER STUDENT" MEANS THE AVERAGE  
25 ANNUAL COST PER STUDENT IN PUBLIC K-12 SCHOOLS IN THIS STATE AS  
26 DETERMINED EACH YEAR BY THE DEPARTMENT OF EDUCATION

1 (B) "ELIGIBLE STUDENT" MEANS A STUDENT WHO IS A RESIDENT OF  
2 THIS STATE OR WHO IS A DEPENDENT OF A RESIDENT OF THIS STATE AND  
3 WHO IS ENROLLED IN A QUALIFYING EDUCATIONAL INSTITUTION

4 (C) "QUALIFYING EDUCATIONAL EXPENSES" MEANS ANY AMOUNT PAID  
5 ON BEHALF OF 1 OR MORE ELIGIBLE STUDENTS TO A QUALIFYING EDUCA-  
6 TIONAL INSTITUTION AT WHICH THE STUDENT IS ENROLLED FOR INSTRU-  
7 TION, TEXTBOOKS, OR TRANSPORTATION TO OR FROM THE QUALIFYING EDU-  
8 CATIONAL INSTITUTION

9 (D) "QUALIFYING EDUCATIONAL INSTITUTION" MEANS A PUBLIC OR  
10 NONPUBLIC SCHOOL THAT OFFERS K-12 INSTRUCTION AS THE PRIMARY PUR-  
11 POSE OF THE INSTITUTION

12 (E) "TEXTBOOK" MEANS THAT TERM AS DEFINED IN THE SCHOOL CODE  
13 OF 1976, ACT NO 451 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS  
14 380 1 TO 380 1852 OF THE MICHIGAN COMPILED LAWS

15 Section 2 This amendatory act shall not take effect unless  
16 Senate Joint Resolution Z

17 of the 87th Legislature becomes a part of  
18 the state constitution of 1963 as provided in section 1 of arti-  
19 cle XII of the state constitution of 1963