

# HOUSE BILL No. 5208

September 12, 2007, Introduced by Reps. Gaffney, Hune, Rocca and Caswell and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
(MCL 208.1106 to 208.1601) by adding section 451.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 451. (1) A QUALIFIED TAXPAYER THAT HIRES A QUALIFIED  
2 GRADUATE FOR FULL-TIME EMPLOYMENT, WHICH GRADUATE HAS COMPLETED,  
3 DURING THE TAX YEAR FOR WHICH THE CREDIT IS INITIALLY SOUGHT, AT  
4 LEAST 12 MONTHS OF UNINTERRUPTED FULL-TIME EMPLOYMENT IN THIS STATE  
5 WITH THAT TAXPAYER, MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY  
6 THIS ACT IN AN AMOUNT EQUAL TO 25% OF THE SALARY PAID TO EACH  
7 QUALIFIED GRADUATE FOR HIS OR HER FIRST YEAR OF FULL-TIME  
8 EMPLOYMENT.

9           (2) THE TAXPAYER SHALL CLAIM 20% OF THE AMOUNT OF THE CREDIT  
10 ALLOWED UNDER THIS SECTION IN THE FIRST TAX YEAR AND 20% OF THE

1 AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION IN EACH OF THE  
2 SUBSEQUENT 4 TAX YEARS. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER  
3 THIS SECTION EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX  
4 YEAR, THAT PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY  
5 SHALL BE REFUNDED.

6 (3) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CLAIMED ON  
7 A FORM DEVELOPED BY THE DEPARTMENT THAT IS A FORM SEPARATE FROM THE  
8 ANNUAL RETURN REQUIRED UNDER THIS ACT AND SHALL BE FILED WITH THE  
9 TAXPAYER'S ANNUAL RETURN EACH YEAR THAT A CREDIT UNDER THIS SECTION  
10 IS CLAIMED. THE DEPARTMENT MAY REQUIRE THE TAXPAYER TO PROVIDE  
11 DOCUMENTATION TO VERIFY THE EMPLOYMENT AND SALARY OF THE QUALIFIED  
12 GRADUATE.

13 (4) AS USED IN THIS SECTION:

14 (A) "ELIGIBLE EDUCATIONAL INSTITUTION" MEANS THAT TERM AS  
15 DEFINED IN SECTION 529 OF THE INTERNAL REVENUE CODE OR A COLLEGE,  
16 UNIVERSITY, COMMUNITY COLLEGE, OR JUNIOR COLLEGE DESCRIBED IN  
17 SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE CONSTITUTION OF  
18 1963.

19 (B) "FULL-TIME EMPLOYMENT" MEANS A JOB PERFORMED FOR 35 HOURS  
20 OR MORE A WEEK BY AN INDIVIDUAL WHOSE INCOME AND SOCIAL SECURITY  
21 TAXES ARE SUBJECT TO WITHHOLDING FOR FEDERAL INCOME TAX PURPOSES.

22 (C) "QUALIFIED GRADUATE" MEANS AN INDIVIDUAL WHO HAS RECEIVED  
23 HIS OR HER FIRST BACHELOR'S DEGREE FROM AN ELIGIBLE EDUCATIONAL  
24 INSTITUTION LOCATED IN THIS STATE AND WAS HIRED BY A QUALIFIED  
25 EMPLOYER WITHIN 3 YEARS OF RECEIVING THAT DEGREE.

26 (D) "QUALIFIED TAXPAYER" MEANS AN EMPLOYER THAT HIRES  
27 INDIVIDUALS FOR FULL-TIME EMPLOYMENT AND THAT IS LOCATED IN THIS

1 STATE.