

HOUSE BILL NO. 4221

February 11, 2021, Introduced by Reps. Cavanagh, Coleman, Shannon, Pohutsky, Morse, Puri, Brenda Carter, Yancey, Kuppa, Stone, Young, Aiyash, Camilleri, Sowerby, Clemente, Brabec, Lasinski, Koleszar, Hope, Breen, Garza, Brixie, O'Neal, Tate, Thanedar, Sabo, Hertel, Tyrone Carter, Steckloff, Whitsett, Anthony, Scott, Manoogian, Bolden, Liberati, Hood and Jones and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"

(MCL 206.1 to 206.713) by adding sections 277 and 677.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 **Sec. 277. (1) For tax years beginning on and after January 1,**
2 **2021, a qualified taxpayer may claim a credit against the tax**
3 **imposed by this part equal to \$1,000.00 for each unemployed veteran**
4 **hired during the tax year for a full-time job.**
5 **(2) If the credit allowed under this section for the tax year**

1 exceeds the tax liability of the qualified taxpayer for the tax
2 year, that portion of the credit that exceeds the tax liability
3 shall not be refunded.

4 (3) If a qualified taxpayer terminates the employment of an
5 unemployed veteran for which a credit under this section was
6 claimed within 1 year after the qualified taxpayer hired that
7 employee, the department may reduce, terminate, or have a
8 percentage of the amount of the credit claimed under this section
9 added back to the tax liability of the taxpayer in the tax year
10 that the taxpayer terminated that employee.

11 (4) As used in this section:

12 (a) "Full-time job" means a job performed by an individual for
13 35 hours or more each week and whose income and social security
14 taxes are withheld from the wages earned by that individual for
15 performing the job.

16 (b) "Qualified taxpayer" means a taxpayer that is an employer
17 that employs fewer than 50 full-time employees.

18 (c) "Unemployed veteran" means an individual who satisfies all
19 of the following:

20 (i) Served in the active military, naval, marine, coast guard,
21 or air service and was discharged or released from his or her
22 service with an honorable or general discharge.

23 (ii) Is a resident of this state.

24 (iii) Is eligible to receive, is currently collecting, or has
25 exhausted unemployment benefits under a state or federal
26 unemployment benefit program.

27 Sec. 677. (1) For tax years beginning on and after January 1,
28 2021, a qualified taxpayer may claim a credit against the tax
29 imposed by this part equal to \$1,000.00 for each unemployed veteran

1 hired during the tax year for a full-time job.

2 (2) If the credit allowed under this section for the tax year
3 exceeds the tax liability of the qualified taxpayer for the tax
4 year, that portion of the credit that exceeds the tax liability
5 shall not be refunded.

6 (3) If a qualified taxpayer terminates the employment of an
7 unemployed veteran for which a credit under this section was
8 claimed within 1 year after the qualified taxpayer hired that
9 employee, the department may reduce, terminate, or have a
10 percentage of the amount of the credit claimed under this section
11 added back to the tax liability of the taxpayer in the tax year
12 that the taxpayer terminated that employee.

13 (4) As used in this section:

14 (a) "Full-time job" means a job performed by an individual for
15 35 hours or more each week and whose income and social security
16 taxes are withheld from the wages earned by that individual for
17 performing the job.

18 (b) "Qualified taxpayer" means a taxpayer that is an employer
19 that employs fewer than 50 full-time employees.

20 (c) "Unemployed veteran" means an individual who satisfies all
21 of the following:

22 (i) Served in the active military, naval, marine, coast guard,
23 or air service and was discharged or released from his or her
24 service with an honorable or general discharge.

25 (ii) Is a resident of this state.

26 (iii) Is eligible to receive, is currently collecting, or has
27 exhausted unemployment benefits under a state or federal
28 unemployment benefit program.