

HOUSE BILL No. 4954

June 28, 1989, Introduced by Reps. Randall, Muxlow, Nye, Crandall, Ouwinga, Martin, Wartner, O'Connor, Emmons and Camp 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) A TAXPAYER THAT IS AN ELIGIBLE EMPLOYER MAY
5 CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR EXPENDI-
6 TURES MADE BY THE TAXPAYER FOR PREMIUMS FOR A HEALTH BENEFIT PLAN
7 EQUAL TO THE LESSER OF \$25.00 PER MONTH PER COVERED EMPLOYEE OR
8 50% OF THE TOTAL PREMIUMS PAID TO A CARRIER OR THE BOARD
9 MULTIPLIED BY THE FOLLOWING PERCENTAGE:

1	YEAR OF	
2	PARTICIPATION	PERCENTAGE
3	1 OR 2	100
4	3	75
5	4	50
6	5	25

7 (2) A CREDIT SHALL NOT BE CLAIMED UNDER THIS SECTION FOR A
8 PREMIUM PAID AFTER THE ELIGIBLE EMPLOYER'S FIFTH YEAR OF PARTICI-
9 PATION IN A HEALTH BENEFIT PLAN.

10 (3) THE CREDIT ALLOWED BY THIS SECTION IS NONREFUNDABLE AND
11 SHALL BE USED ONLY TO OFFSET THE TAX OTHERWISE DUE UNDER THIS
12 ACT. IF A TAXPAYER IS ALLOWED A CREDIT AMOUNT UNDER THIS SECTION
13 THAT IS GREATER THAN THE TAXPAYER'S TAX LIABILITY FOR THE TAX
14 YEAR, THE TAXPAYER MAY USE THE BALANCE OF THE CREDIT TO OFFSET
15 THE TAX IMPOSED UNDER THIS ACT IN THE SUCCESSIVE TAX YEAR OR
16 YEARS.

17 (4) AS USED IN THIS SECTION:

18 (A) "BOARD", "CARRIER", "ELIGIBLE EMPLOYER", "HEALTH BENEFIT
19 PLAN", AND "PREMIUM" MEAN THOSE TERMS AS DEFINED IN CHAPTER 38 OF
20 THE INSURANCE CODE OF 1956, ACT NO. 218 OF THE PUBLIC ACTS OF
21 1956, BEING SECTIONS 500.3801 TO 500.3819 OF THE MICHIGAN
22 COMPILED LAWS.

23 (B) "YEAR OF PARTICIPATION" MEANS THE NUMBER OF YEARS DURING
24 WHICH AN ELIGIBLE EMPLOYER HAS PAID PREMIUMS TO A CARRIER OR THE
25 BOARD FOR A HEALTH BENEFIT PLAN UNDER CHAPTER 38 OF THE INSURANCE
26 CODE OF 1956, ACT NO. 218 OF THE PUBLIC ACTS OF 1956.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. _____ or House Bill No. 4955 (request
3 no. 01159'89 *) of the 85th Legislature is enacted into law.