

# SENATE BILL No. 161

February 16, 1989, Introduced by Senators N. SMITH, POSTHUMUS, CARL, CROSEY, SHINKLE, DINGELL, SEDERBURG, IRWIN, DI NELLO and O'BRIEN and referred to the Committee on Finance.

A bill to amend the title of 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; to add section 37c; and to repeal certain parts of the act on specific dates.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Section 1. The title of Act No. 228 of the Public Acts of  
2   1975, as amended, being sections 208.1 to 208.145 of the Michigan  
3   Compiled Laws, is amended and section 37c is added to read as  
4   follows:

5	TITLE
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6       An act to provide for the imposition, levy, computation,  
7 collection, assessment, and enforcement, by lien or otherwise, of  
8 taxes on certain commercial, business, and financial activities;

1 to prescribe the manner and times of making certain reports and  
2 paying taxes; to prescribe the powers and duties of public offi-  
3 cers and state departments; to permit the inspection of records  
4 of taxpayers; to provide for interest and penalties on unpaid  
5 taxes; to provide exemptions, credits, and refunds; to provide  
6 penalties; to provide for the disposition of funds; to provide  
7 for the interrelation of this act with other acts; ~~and~~ to pro-  
8 vide an appropriation; AND TO REPEAL CERTAIN PARTS OF THIS ACT ON  
9 SPECIFIC DATES.

10 SEC. 37C. (1) FOR TAX YEARS BEGINNING AFTER 1988, A TAX-  
11 PAYER MAY CLAIM AS A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT  
12 FOR THE TAXABLE YEAR 25% OF THE AMOUNT OF MONEY OR OF THE FAIR  
13 MARKET VALUE OF PROPERTY CONTRIBUTED TO A SCHOOL DISTRICT, INTER-  
14 MEDIATE SCHOOL DISTRICT, OR NONPUBLIC SCHOOL IN THIS STATE. A  
15 TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SUBSECTION FOR A  
16 CONTRIBUTION OF PROPERTY UNLESS THE TAXPAYER OBTAINS FROM THE  
17 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR NONPUBLIC  
18 SCHOOL A LETTER STATING THAT THE DISTRICT OR SCHOOL ACCEPTS THE  
19 PROPERTY AND IDENTIFYING THE PROPERTY'S INTENDED USE.

20 (2) FOR TAX YEARS BEGINNING AFTER 1988, A TAXPAYER MAY CLAIM  
21 A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR THE TAXABLE YEAR  
22 FOR EXPENDITURES FOR INSTRUCTIONAL MATERIALS AND TUITION FOR  
23 EMPLOYEE INSTRUCTION BY AN INSTITUTION OF HIGHER LEARNING OR A  
24 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. THE CREDIT MAY  
25 BE CLAIMED IN THE FOLLOWING AMOUNT FOR EACH EMPLOYEE:

26 (A) FOR EXPENDITURES NOT EXCEEDING \$1,000.00, 50% OF THE  
27 EXPENDITURE.

(B) FOR EXPENDITURES EXCEEDING \$1,000.00, BUT NOT EXCEEDING \$2,000.00, \$500.00 PLUS 25% OF THE AMOUNT IN EXCESS OF \$1,000.00.

(C) FOR EXPENDITURES NOT EXCEEDING \$3,000.00, \$750.00 PLUS 15% OF THE AMOUNT IN EXCESS OF \$2,000.00. THE CREDIT FOR EXPENDITURES FOR ANY 1 EMPLOYEE SHALL NOT EXCEED \$900.00.

(3) THE TOTAL AMOUNT OF A CREDIT CLAIMED UNDER THIS SECTION FOR A TAX YEAR SHALL NOT EXCEED \$2,000.00. A CREDIT ALLOWED BY THIS SECTION IS NONREFUNDABLE AND SHALL BE USED ONLY TO OFFSET THE TAX OTHERWISE DUE UNDER THIS ACT.

(4) AS USED IN THIS SECTION:

(A) "INSTITUTION OF HIGHER LEARNING" MEANS THAT TERM AS DEFINED IN SECTION 38.

(B) "INTERMEDIATE SCHOOL DISTRICT" MEANS THAT TERM AS DEFINED IN SECTION 4 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.4 OF THE MICHIGAN COMPILED LAWS.

(C) "SCHOOL DISTRICT" MEANS THAT TERM AS DEFINED IN SECTION 6 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.6 OF THE MICHIGAN COMPILED LAWS.

(D) "VOCATIONAL EDUCATION" MEANS THAT TERM AS DEFINED IN SECTION 7 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.7 OF THE MICHIGAN COMPILED LAWS.

(5) THIS SECTION IS REPEALED 4 YEARS AFTER ITS EFFECTIVE DATE.