

SENATE BILL NO. 607

October 24, 2019, Introduced by Senators HOLLIER, POLEHANKI, WOJNO and MACDONALD and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding sections 279 and 679.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 279. (1) For tax years that begin on and after January 1,**
2 **2020, a taxpayer that is an employer that employs an unemployed**
3 **member of the Michigan National Guard or a member of the reserve**
4 **forces of the United States for a continuous period of 1 year,**

1 except as otherwise provided in this section, may claim a credit
2 against the tax imposed under this part for each member of the
3 Michigan National Guard or member of the reserve forces of the
4 United States employed by the taxpayer during the tax year equal to
5 25% of the employee's wage base. For the purpose of this section,
6 the employee's wage base is the first \$5,000.00 in wages or
7 compensation actually paid to the employee by the employer.

8 (2) A taxpayer may not claim a tax credit under this section
9 for any individual who is employed for less than a continuous
10 period of 1 year, unless 1 of the following applies:

11 (a) The individual voluntarily leaves employment with the
12 employer.

13 (b) The individual becomes totally disabled and unable to
14 continue his or her employment.

15 (c) The individual is terminated for good cause shown.

16 (3) In the event that the individual is employed for less than
17 a continuous 1-year period due to circumstances enumerated in
18 subsection (2), the taxpayer may claim a partial tax credit against
19 the tax imposed by this part in a proportional amount corresponding
20 to the ratio of the time period during which the individual was
21 actually employed to the 1-year period required for a full tax
22 credit multiplied by the amount of the full tax credit which would
23 have accrued to the employer if the individual's employment had
24 continued for a full year.

25 (4) A taxpayer shall not claim a credit under this section for
26 either of the following:

27 (a) An individual who is employed and displaces a person
28 already employed.

29 (b) An individual for whom the employer is receiving job

1 training payments from either the federal or state government.

2 (5) Nothing in this section prohibits a taxpayer from
3 receiving other tax credits or incentives under other state or
4 federal similar targeted jobs programs if the taxpayer is otherwise
5 qualified to receive both.

6 (6) If the amount of the credit allowed under this section
7 exceeds the tax liability of the taxpayer for the tax year, that
8 portion of the credit that exceeds the tax liability shall be
9 refunded.

10 (7) As used in this section, "unemployed" means an individual
11 who is without a job and who wants and is available for work. The
12 determination of whether an individual is without a job shall be
13 made in accordance with the criteria used by the Bureau of Labor
14 Statistics of the United States Department of Labor in defining
15 individuals as unemployed

16 Sec. 679. (1) For tax years that begin on and after January 1,
17 2020, a taxpayer that is an employer that employs an unemployed
18 member of the Michigan National Guard or a member of the reserve
19 forces of the United States for a continuous period of 1 year,
20 except as otherwise provided in this section, may claim a credit
21 against the tax imposed under this part for each member of the
22 Michigan National Guard or member of the reserve forces of the
23 United States employed by the taxpayer during the tax year equal to
24 25% of the employee's wage base. For the purpose of this section,
25 the employee's wage base is the first \$5,000.00 in wages or
26 compensation actually paid to the employee by the employer.

27 (2) A taxpayer may not claim a tax credit under this section
28 for any individual who is employed for less than a continuous
29 period of 1 year, unless 1 of the following applies:

1 (a) The individual voluntarily leaves employment with the
2 employer.

3 (b) The individual becomes totally disabled and unable to
4 continue his or her employment.

5 (c) The individual is terminated for good cause shown.

6 (3) In the event that the individual is employed for less than
7 a continuous 1-year period due to circumstances enumerated in
8 subsection (2), the taxpayer may claim a partial tax credit against
9 the tax imposed by this part in a proportional amount corresponding
10 to the ratio of the time period during which the individual was
11 actually employed to the 1-year period required for a full tax
12 credit multiplied by the amount of the full tax credit which would
13 have accrued to the employer if the individual's employment had
14 continued for a full year.

15 (4) A taxpayer shall not claim a credit under this section for
16 either of the following:

17 (a) An individual who is employed and displaces a person
18 already employed.

19 (b) An individual for whom the employer is receiving job
20 training payments from either the federal or state government.

21 (5) Nothing in this section prohibits a taxpayer from
22 receiving other tax credits or incentives under other state or
23 federal similar targeted jobs programs if the taxpayer is otherwise
24 qualified to receive both.

25 (6) If the amount of the credit allowed under this section
26 exceeds the tax liability of the taxpayer for the tax year, that
27 portion of the credit that exceeds the tax liability shall be
28 refunded.

29 (7) As used in this section, "unemployed" means an individual

1 who is without a job and who wants and is available for work. The
2 determination of whether an individual is without a job shall be
3 made in accordance with the criteria used by the Bureau of Labor
4 Statistics of the United States Department of Labor in defining
5 individuals as unemployed.