

SENATE BILL No. 575

July 10, 2001, Introduced by Senator BULLARD and referred to the Committee on Finance.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 39d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 39D. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2000 AND BEFORE JANUARY 1, 2006, A TAXPAYER THAT HAS A QUALIFIED
3 TECHNOLOGY SKILLS TRAINING CERTIFICATE FROM THE MICHIGAN ECONOMIC
4 DEVELOPMENT CORPORATION MAY CLAIM A CREDIT AGAINST THE TAX
5 IMPOSED BY THIS ACT EQUAL TO THE EXPENSES INCURRED BY THE TAX-
6 PAYER IN THE TAX YEAR, TO PROVIDE QUALIFIED TECHNOLOGY SKILLS
7 TRAINING TO THE TAXPAYER'S EMPLOYEES, NOT TO EXCEED \$1,500.00 PER
8 EMPLOYEE PER TAX YEAR.

9 (2) TO RECEIVE A QUALIFIED TECHNOLOGY SKILLS TRAINING
10 CERTIFICATE TO CLAIM A CREDIT UNDER THIS SECTION, THE TAXPAYER
11 SHALL APPLY TO THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION ON

1 OR BEFORE THE JANUARY 15 FOLLOWING THE END OF THE TAXPAYER'S TAX
2 YEAR. THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL REVIEW
3 ALL APPLICATIONS, DETERMINE THE AMOUNT OF CREDIT OF EACH APPLI-
4 CANT, AND ISSUE A QUALIFIED TECHNOLOGY SKILLS TRAINING CERTIFI-
5 CATE TO EACH APPLICANT THAT STATES THE AMOUNT OF CREDIT THE TAX-
6 PAYER IS ALLOWED TO CLAIM FOR THE TAXPAYER'S TAX YEAR THAT ENDED
7 IN THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CALENDAR YEAR IN
8 WHICH THE TAXPAYER APPLIED FOR A CREDIT.

9 (3) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL
10 ISSUE QUALIFIED TECHNOLOGY SKILLS TRAINING CERTIFICATES TO APPLI-
11 CANTS THAT MEET THE CRITERIA FOR PARTICIPATION IN QUALIFIED TECH-
12 NOLOGY SKILLS TRAINING. THE TOTAL OF ALL CREDITS FOR WHICH QUAL-
13 IFIED TECHNOLOGY SKILLS TRAINING CERTIFICATES SHALL BE ISSUED BY
14 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION UNDER THIS SECTION
15 SHALL NOT EXCEED \$5,000,000.00 FOR EACH CALENDAR YEAR. IF APPLI-
16 CATIONS FOR CREDITS EXCEED \$5,000,000.00 FOR THE CALENDAR YEAR,
17 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL REDUCE THE
18 AMOUNT OF CREDIT ALLOWED EACH TAXPAYER PROPORTIONATELY.

19 (4) THE TAXPAYER SHALL ATTACH THE QUALIFIED TECHNOLOGY
20 SKILLS TRAINING CERTIFICATE ISSUED BY MICHIGAN ECONOMIC DEVELOP-
21 MENT CORPORATION THAT STATES THE AMOUNT OF CREDIT THAT THE TAX-
22 PAYER MAY CLAIM TO THE ANNUAL RETURN FILED UNDER THIS ACT ON
23 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED.

24 (5) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
25 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
26 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
27 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR

1 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
2 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
3 WHICHEVER OCCURS FIRST.

4 (6) IF A TAXPAYER IS A PARTNERSHIP, LIMITED LIABILITY COM-
5 PANY, OR SUBCHAPTER S CORPORATION, THE TAXPAYER MAY ASSIGN ALL OR
6 A PORTION OF THE CREDIT ALLOWED UNDER THIS SECTION TO ITS PART-
7 NERS, MEMBERS, OR SHAREHOLDERS, BASED ON THEIR PROPORTIONATE
8 SHARE OF OWNERSHIP OF THE PARTNERSHIP, LIMITED LIABILITY COMPANY,
9 OR SUBCHAPTER S CORPORATION. A CREDIT ASSIGNMENT UNDER THIS SUB-
10 SECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN WHICH
11 A QUALIFIED TECHNOLOGY SKILLS TRAINING CERTIFICATE IS ISSUED BY
12 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION. A QUALIFIED TAX-
13 PAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE REMAINING
14 CREDIT AMOUNT. A PARTNER, MEMBER, OR SHAREHOLDER SHALL NOT SUB-
15 SEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED
16 UNDER THIS SUBSECTION. THE CREDIT ASSIGNMENT UNDER THIS SUBSEC-
17 TION SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE
18 TAXPAYER SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO
19 THE DEPARTMENT IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE.
20 A PARTNER, MEMBER, OR SHAREHOLDER WHO IS AN ASSIGNEE SHALL ATTACH
21 A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN
22 REQUIRED UNDER THIS ACT, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT
23 IS MADE AND THE ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE
24 THE SAME TAX YEAR. THE ASSIGNMENT FORM REQUIRED UNDER THIS SUB-
25 SECTION AND SUBSECTION (7) SHALL INCLUDE AT LEAST ALL OF THE FOL-
26 LOWING INFORMATION:

1 (A) THE NAME OF THE ASSIGNOR.

2 (B) THE NAME OF THE ASSIGNEE.

3 (C) THE TAXPAYER IDENTIFICATION NUMBERS OF BOTH THE ASSIGNOR
4 AND THE ASSIGNEE.

5 (D) THE AMOUNT OF THE CREDIT ASSIGNED.

6 (7) THE TAXPAYER MAY ASSIGN ALL OR A PORTION OF A CREDIT
7 ALLOWED UNDER THIS SECTION TO ANY OTHER TAXPAYER. A CREDIT
8 ASSIGNMENT UNDER THIS SUBSECTION IS IRREVOCABLE AND SHALL BE MADE
9 IN THE TAX YEAR IN WHICH A QUALIFIED TECHNOLOGY SKILLS TRAINING
10 CERTIFICATE IS ISSUED BY THE MICHIGAN ECONOMIC DEVELOPMENT
11 CORPORATION. A QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A
12 CREDIT AND ASSIGN THE REMAINING CREDIT AMOUNT. THE ASSIGNEE
13 SHALL NOT SUBSEQUENTLY ASSIGN A CREDIT OR ANY PORTION OF A CREDIT
14 ASSIGNED UNDER THIS SUBSECTION. THE CREDIT ASSIGNMENT UNDER THIS
15 SUBSECTION SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT.
16 THE TAXPAYER SHALL SEND A COPY OF THE COMPLETED ASSIGNMENT FORM
17 TO THE DEPARTMENT IN THE TAX YEAR IN WHICH THE ASSIGNMENT IS
18 MADE. THE ASSIGNEE SHALL ATTACH A COPY OF THE COMPLETED ASSIGN-
19 MENT FORM TO ITS ANNUAL RETURN REQUIRED UNDER THIS ACT, FOR THE
20 TAX YEAR IN WHICH THE ASSIGNMENT IS MADE AND THE ASSIGNEE FIRST
21 CLAIMS A CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

22 (8) A MEMBER OF AN AFFILIATED GROUP AS DEFINED IN THIS ACT,
23 A CONTROLLED GROUP OF CORPORATIONS AS DEFINED IN SECTION 1563 OF
24 THE INTERNAL REVENUE CODE AND FURTHER DESCRIBED IN 26
25 C.F.R. 1.414(b)-1 AND 1.414(c)-1 TO 1.414(c)-5, OR AN ENTITY
26 UNDER COMMON CONTROL AS DEFINED BY THE INTERNAL REVENUE CODE

1 SHALL APPLY FOR A CREDIT UNDER THIS SECTION ON A CONSOLIDATED
2 BASIS.

3 (9) AS USED IN THIS SECTION, "QUALIFIED TECHNOLOGY SKILLS
4 TRAINING" MEANS A PROGRAM IDENTIFIED BY THE MICHIGAN ECONOMIC
5 DEVELOPMENT CORPORATION THAT IS OFFERED BY AN ACCREDITED COLLEGE,
6 UNIVERSITY, PRIVATE CAREER SCHOOL, OR OTHER POSTSECONDARY EDUCA-
7 TIONAL OR VOCATION INSTITUTION THAT PROVIDES TRAINING IN INFORMA-
8 TION TECHNOLOGY WORKPLACE DISCIPLINES OR OTHER SKILLS THAT THE
9 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION DETERMINES ARE IN SHORT
10 SUPPLY IN AND CRITICAL TO THE ECONOMIC DEVELOPMENT OF THIS STATE.