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Senate Bills 1000 through 1002 (as reported without amendment)
Sponsor: Senator Rosemary Bayer
Committee: Appropriations

CONTENT

Taken together, the bills would amend various provisions related to Public Act (PA) 160 of 2015, the Michigan Achieving a Better Life Experience (ABLE) Act; PA 316 of 1986, the Michigan Education Trust Act; and PA 161 of 2000, the Michigan Education Savings Program Act, by updating related provisions and references to conform to changes in various Federal and State statutes affecting the Acts.

Senate Bill 1000

The bill would amend the Michigan ABLE Act to update the reference to the Federal Internal Revenue Code (IRC) from the IRC in effect on January 1, 2015, to the IRC in effect on January 1, 2024. The bill also would update references to the Income Tax Act (PA 281 of 1967).

Senate Bill 1001

The bill would amend the Michigan Education Trust Act to define "Internal Revenue Code" as the Federal IRC in effect on January 1, 2024, or, at the option of the taxpayer, in effect for the current year. The bill also would add provisions regarding advance tuition payment contracts that must be terminated. The changes would affect qualified beneficiaries that have been accepted and decided to attend eligible educational institutions by updating the language to reflect provisions that have been altered in Federal statute and by requiring affected contracts entered into after January 1, 1988, to be amended as needed to comply with the changes. The bill also would modify the provisions for refund payments under certain conditions.

Senate Bill 1002

The bill would amend the Michigan Education Savings Program Act to update the reference to the Federal IRC from the IRC in effect on January 1, 2002, to the IRC in effect on January 1, 2023. The bill also would update the definition of "qualified higher education expenses" to reflect changes in the Federal definition.

MCL 206.982 (S.B. 1000)
MCL 390.1424 & 390.1428 (S.B. 1001)
MCL 390.1472 & 390.1486 (S.B. 1002)

FISCAL IMPACT

The bills would have a negligible impact on State and local revenue and expenditures.

Date Completed: 10-16-24

Fiscal Analyst: David Zin

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Bill Analysis @ www.senate.michigan.gov/sfa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.