

HOUSE BILL NO. 4937

September 05, 2023, Introduced by Reps. Martus, Skaggs and Snyder and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 677.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 677. (1) For tax years beginning on and after January 1,
2 2024 and subject to the limitations under this section, a taxpayer
3 may claim a credit against the tax imposed by this part equal to
4 50% of the amount paid on a qualified student loan by the taxpayer
5 on behalf of a qualified employee who either graduated from a high
6 school located in this state or received a bachelor's, master's, or
7 other higher graduate degree from a postsecondary educational

1 institution located in this state and remained in, or relocated to,
2 this state for employment with that taxpayer after obtaining a
3 bachelor's, master's, or other higher graduate degree from a
4 postsecondary educational institution, during the tax year.

5 (2) A taxpayer shall not claim a credit under this section for
6 payments made on a qualified student loan on behalf of any single
7 qualified employee for any single tax year equal to more than 20%
8 of the average yearly tuition to attend a public university located
9 in this state.

10 (3) To be eligible for the credit under this section, the
11 taxpayer in a form as prescribed by the department shall provide
12 reasonable proof in support of payments claimed to be paid on
13 behalf of a qualified employee for that qualified employee's
14 qualified student loan under this section. The form shall include,
15 at a minimum, all of the following:

16 (a) The taxpayer's federal employer identification number or
17 the Michigan treasury number assigned.

18 (b) The name, address, and graduation date of the qualified
19 employee.

20 (c) The date and amount of each payment made toward a
21 qualified student loan.

22 (d) Any other criteria that the department considers
23 appropriate for the determination of eligibility for the credit
24 under this section.

25 (4) If the credit allowed under this section exceeds the
26 qualified taxpayer's tax liability for the tax year, that portion
27 that exceeds the tax liability for the tax year shall be refunded.

28 (5) The credit allowed under this section may be referred to
29 as the "make it in Michigan credit".

1 (6) As used in this section and 677a:

2 (a) "Postsecondary educational institution" means a college,
3 university, community college, or junior college that grants
4 bachelor's, master's, or other higher graduate degrees.

5 (b) "Qualified employee" means an employee who is a resident
6 of this state and who received a bachelor's, master's, or other
7 higher graduate degree from a postsecondary educational institution
8 after the effective date of the amendatory act that added this
9 section.

10 (c) "Qualified student loan" means any state or federal loans
11 incurred by a qualified employee to attend and receive a degree
12 from a postsecondary educational institution, including, but not
13 limited to, state loans authorized under the higher education loan
14 authority act, 1975 PA 222, MCL 390.1151 to 390.1165, and federal
15 loans authorized under the higher education act of 1965, Public Law
16 89-329, 20 USC 1001 to 1161aa-1.

17 (d) "Resident" means an individual who is domiciled in this
18 state for at least the 365 days immediately preceding the last day
19 of the fourth month after the end of the taxpayer's tax year for
20 which a credit is being claimed under this section.

21 Enacting section 1. This amendatory act does not take effect
22 unless all of the following bills of the 102nd Legislature are
23 enacted into law:

24 (a) Senate Bill No. ____ or House Bill No. 4933 (request no.
25 00575'23).

26 (b) Senate Bill No. ____ or House Bill No. ____ (request no.
27 03968'23).

28 (c) Senate Bill No. ____ or House Bill No. 4936 (request no.
29 04009'23).