

HOUSE BILL No. 4711

May 20, 2003, Introduced by Reps. LaJoy, Huizenga, Tabor, DeRossett, Stakoe, Ward, Garfield, Nitz, Hager, Nofs, Robertson, Van Regenmorter, Acciavatti, Pappageorge, Sheen, Shaffer, Voorhees, Brandenburg, Ehardt, Vander Veen, Rocca, Wenke, Hoogendyk, Moolenaar, Stahl, Howell, Shackleton, Bisbee and Palmer and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled
"Single business tax act,"
(MCL 208.1 to 208.145) by adding section 37e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 37e. (1) For tax years that begin after December 31,
2 2002, a taxpayer may claim a credit against the tax imposed under
3 this act equal to 25% of the total of the following amounts paid
4 in tax years that begin after December 31, 2002 and before
5 January 1, 2006 to eligible employees:

6 (a) The salary, wages, or other compensation that when added
7 to all military pay and the value of military allowances received
8 by the eligible employees would be equal to or less than the
9 amount the taxpayer would have paid eligible employees had the
10 eligible employees not been on active military duty for the
11 period of time during which those eligible employees were on

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1 active military duty, including any increase in salary, wages, or
2 other compensation the eligible employees would have received had
3 the eligible employees not been on active military duty.

4 (b) The cost of any health, dental, and vision insurance,
5 monetary contributions to retirement programs or plans, or other
6 benefits paid on behalf of eligible employees for the period of
7 time during which the employees were on active military duty paid
8 by the taxpayer during the period that the eligible employees
9 were on active military duty to maintain the benefit levels for
10 the eligible employees at the same status that the employees held
11 prior to being called to active military duty.

12 (2) Except as provided in subsection (3), if the credit
13 allowed under this section for the tax year and any unused
14 carryforward of the credit allowed under this section exceed the
15 tax liability of the taxpayer for the tax year, the excess shall
16 not be refunded, but may be carried forward as an offset to the
17 tax liability in subsequent tax years until the excess credit is
18 used up.

19 (3) The credit allowed under this section shall be considered
20 a refundable credit only for taxpayers subject to this act that
21 have no tax liability or that are not required to file a return
22 for the tax year for which they are claiming the credit allowed
23 under this section.

24 (4) As used in this section, "eligible employee" means an
25 individual who is a member of the Michigan national guard or the
26 United States military reserve and who was ordered to or is on
27 active duty status with the Michigan national guard or United

1 States military reserve on or after January 1, 2003 if the
2 individual is eligible to receive any service or campaign medal
3 for service authorized by the congress of the United States in
4 Public Law No. 107-243 on October 16, 2002 in the "Authorization
5 for Use of Military Force Against Iraq Resolution of 2002".