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A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 674.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 674. (1) For tax years beginning on and after January 1,
2 2023 and subject to the limitations under this section, a taxpayer
3 may claim a work opportunity tax credit against the tax imposed by
4 this part equal to the following percentages of the qualified
5 first-year wages paid by the taxpayer during the tax year to each
6 qualified employee as follows:

7 (a) Twenty-five percent of the qualified first-year wages for



1 a qualified employee who worked at least 120 hours but less than
2 400 hours.

3 (b) Forty percent of the qualified first-year wages for a
4 qualified employee who worked 400 or more hours.

5 (2) The maximum amount of qualified first-year wages that a
6 taxpayer may claim for any 1 qualified employee is \$6,000.00. A
7 taxpayer shall not claim a credit under this section for a
8 qualified employee who meets any of the following conditions:

9 (a) Is a related individual as described in section 51 of the
10 internal revenue code.

11 (b) Worked less than 120 hours for the taxpayer.

12 (c) Prior to the hiring date of that qualified employee, that
13 same individual had been employed by the taxpayer at any prior
14 time.

15 (3) If the credit allowed under this section for the tax year
16 and any unused carryforward of the credit allowed by this section
17 exceed the taxpayer's tax liability for the tax year, that portion
18 that exceeds the tax liability for the tax year shall be refunded.

19 (4) In order to claim the credit under this section for a new
20 employee who is a member of a targeted group, the taxpayer shall
21 submit an Internal Revenue Service form 8850 to the Michigan
22 unemployment insurance agency and obtain certification from the
23 Michigan unemployment insurance agency that the newly hired
24 employee is a member of a targeted group. The taxpayer shall attach
25 a copy of the certification with the annual return for which a
26 credit under this section is claimed.

27 (5) As used in this section, "member of a targeted group",
28 "qualified employee", "qualified first-year wages", "qualified
29 wages", and "wages" mean those terms as defined under section 284.



- 1 Enacting section 1. This amendatory act does not take effect
- 2 unless Senate Bill No.____ or House Bill No.____ (request no.
- 3 05488'22) of the 101st Legislature is enacted into law.