SENATE SUBSTITUTE FOR

HOUSE BILL NO. 4085

A bill to amend 1967 PA 281, entitled

"Income tax act of 1967,"

by amending section 435 (MCL 206.435), as amended by 2012 PA 154.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 435. (1) Except as otherwise provided under this section, for the 2008 tax year and each tax year after the 2008 tax year, an individual may designate in a manner and form as prescribed by the department pursuant to subsection (2) on his or her annual return that contributions of $5.00, $10.00, or more of his or her refund be credited to any of the following:

(a) For the 2010 tax year and each tax year after the 2010 tax year, the Michigan higher education assistance authority created in section 1 of 1960 PA 77, MCL 390.951, for the children of veterans tuition grant program created in the children of veterans tuition grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the contributions designated to this subdivision shall be used for the purpose of administering this section.

(b) For the 2010 tax year and each tax year after the 2010 tax year, the children's trust fund created in 1982 PA 249, MCL 21.171 to 21.172.

(C) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX YEAR, THE MILITARY FAMILY RELIEF FUND CREATED IN SECTION 3 OF THE MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363, MCL 35.1213.

(D) ~~(c)~~ The animal welfare fund created in the animal welfare fund act, 2007 PA 132, MCL 287.991 to 287.997.

(E) ~~(d)~~ For the 2009 tax year and each tax year after the 2009 tax year, the united way fund created in section 3 of the united way fund act, 2008 PA 527, MCL 333.26533.

(F) ~~(e)~~ For the 2011 tax year and each tax year after the 2011 tax year, the girl scouts of Michigan fund created in section 3 of the girl scouts of Michigan fund act, 2010 PA 347, MCL 206.923.

(G) ~~(f)~~ For the 2012 tax year and each tax year after the 2012 tax year, the special Olympics Michigan fund created in section 5 of the special Olympics Michigan fund act**, 2012 PA 155, MCL 206.945**.

(H) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX YEAR, THE ALS OF MICHIGAN ("LOU GEHRIG'S DISEASE") FUND CREATED IN SECTION 3 OF THE ALS OF MICHIGAN ("LOU GEHRIG'S DISEASE") FUND ACT.

(I) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX YEAR, THE MICHIGAN AMBER ALERT FUND CREATED IN SECTION 5 OF THE

MICHIGAN AMBER ALERT ACT, 2002 PA 712, MCL 28.755.

(J) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX YEAR, THE MICHIGAN ALZHEIMER'S ASSOCIATION FUND CREATED IN SECTION 5 OF THE MICHIGAN ALZHEIMER'S ASSOCIATION FUND ACT.

(2) Subject to the limitations provided under this subsection, the department shall establish and utilize a separate contributions schedule that incorporates each contribution designation authorized under this section that remains in effect and available for each tax year and shall revise the state individual income tax return form to include a separate line for the total contribution designations made under the separate contributions schedule. The contribution designations authorized under sections 437, 438, and 440 shall be incorporated into the contributions schedule for the 2010 tax year and shall remain on the schedule until the contribution designation expires by law or is otherwise no longer available as determined by the department pursuant to subsection (3). A contribution designation that is enacted after November 1, 2007 shall be incorporated as soon as practical on the contributions schedule, and each new contribution designation shall be listed on the schedule in alphabetical order. The separate contributions schedule required under this section shall include not more than 10 separate contribution designations in any single tax year.

(3) The department shall cease to include a contribution designation on the contributions schedule if that contribution designation fails to raise $50,000.00 in any tax year for 2 consecutive tax years.

(4) If an individual's refund is not sufficient to make a contribution under this section, the individual may designate a contribution amount and that contribution amount shall be added to the individual's tax liability for the tax year.

(5) Notwithstanding any other allocations or disbursements required by this act, each year that a contribution designation under this section is in effect, an amount equal to the cumulative designation made under this section, less the amount appropriated to the department to implement this section, shall be appropriated from the general fund and distributed to the department responsible for administering the appropriate fund to which the taxpayer designated his or her contribution and shall be used solely for the purposes of that fund.

(6) Money appropriated pursuant to an appropriations act as required by law in accordance with this section to the department responsible for administering each respective fund shall be in addition to any other allocation or appropriation and is intended to enhance appropriations from the general fund and not to replace or supplant those appropriations.

(7) Notwithstanding any other provision of law, all of the following apply:

(a) Money appropriated from the contributions made pursuant to this section shall be distributed as provided in each respective fund within 1 year and none of the money appropriated pursuant to this section shall be used for the purpose of administering the fund.

(b) If the fund to which the taxpayer designated his or her contributions is to be used for donations to multiple organizations located in this state, the department responsible for administering that fund shall designate 1 local representative or agency of that organization to administer and distribute those funds to other similar organizations in this state as provided in each respective act that created the fund.

(8) When considering whether to grant legislative approval to amend the state individual income tax return to include additional contribution designations on the contributions schedule, the legislature shall consider all of the following:

(a) Whether the organization serves multiple regions throughout this state.

(b) Whether the organization has demonstrated that it is capable of raising more than $50,000.00 in this state during the tax year through means other than the income tax contribution designation.

(c) Whether the organization expends 30% or more of its money to cover administrative and fund-raising costs.

(d) Whether the organization had previously been included on the contributions schedule within the last immediately preceding 3 years and was removed because it failed to raise a sufficient amount of money as prescribed under subsection (3).

(e) Whether the organization receives any other state funds or other type of financial assistance from this state.

(f) Whether the organization is associated with a nonprofit charitable organization.