

HOUSE BILL No. 4730

May 25, 1999, Introduced by Reps. Hart, Byl, Gosselin, Vear, DeWeese, Thomas, Ehardt, DeRossett, Voorhees, Bisbee, Woronchak, Pappageorge, Patterson, Bradstreet, Richner, Faunce, Vander Roest, Hager, Tabor, LaSata, Koetje, Gielegem, Jellema, Garcia, Kukuk, Cameron Brown, Stamas, Howell, Ruth Johnson, Sanborn, Jansen, Van Woerkom, Rocca, Gilbert, Toy, Hardman, LaForge, Caul, Pestka, Wojno, Reeves, Switalski, Birkholz, Green, Rick Johnson, Allen, Kuipers and Bishop 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 206.532) by adding section 268.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 268. (1) FOR THE 2000 TAX YEAR AND EACH TAX YEAR AFTER
2 THE 2000 TAX YEAR, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX
3 IMPOSED BY THIS ACT EQUAL TO THE CASH AMOUNT, THE FAIR MARKET
4 VALUE OF TANGIBLE PERSONAL PROPERTY, AND THE ECONOMIC VALUE OF
5 PERSONAL SERVICES DONATED BY THE TAXPAYER IN THE TAX YEAR TO
6 QUALIFIED CHARITIES, NOT TO EXCEED \$100.00 FOR A SINGLE RETURN OR
7 \$200.00 FOR A JOINT RETURN.
8 (2) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER SHALL
9 LIST EACH OF THE QUALIFIED CHARITIES TO WHICH A CONTRIBUTION IS
10 MADE AND THE AMOUNT OF THE CONTRIBUTION THAT IS USED TO CALCULATE

1 THE CREDIT FOR THE TAX YEAR AND ATTACH THE LIST TO THE TAXPAYER'S
2 TAX RETURN.

3 (3) A TAXPAYER SHALL NOT INCLUDE IN THE CALCULATION OF THE
4 CREDIT UNDER THIS SECTION ANY AMOUNT USED TO CALCULATE ANY OTHER
5 CREDIT OR DEDUCTION UNDER THIS ACT OR UNDER THE SINGLE BUSINESS
6 TAX ACT, 1975 PA 228, MCL 208.1 TO 208.145.

7 (4) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX
8 LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE
9 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE REFUNDED.

10 (5) AN ORGANIZATION MAY REQUEST THAT THE DEPARTMENT DETER-
11 MINE IF A CONTRIBUTION TO THAT ORGANIZATION QUALIFIES FOR THE
12 CREDIT UNDER THIS SECTION. THE DEPARTMENT SHALL MAKE THE DETER-
13 MINATION AND RESPOND TO A REQUEST NOT LATER THAN 30 DAYS AFTER
14 THE DEPARTMENT RECEIVES THE REQUEST.

15 (6) THE DEPARTMENT SHALL CONDUCT A STUDY TO DETERMINE
16 WHETHER THE QUALIFIED CHARITIES TO WHICH CONTRIBUTIONS WERE MADE
17 AND USED TO CALCULATE A CREDIT UNDER THIS SECTION IN THE 2000 TAX
18 YEAR MEET THE GOALS DESCRIBED IN SUBSECTION (7)(B) AND DELIVER A
19 REPORT ON THE RESULTS OF THAT STUDY TO THE LEGISLATURE NOT LATER
20 THAN JULY 1, 2001.

21 (7) AS USED IN THIS SECTION:

22 (A) "AT-RISK YOUTH" MEANS AN AT-RISK PUPIL AS THAT TERM IS
23 DEFINED IN SECTION 31A OF THE STATE SCHOOL AID ACT OF 1979, 1979
24 PA 94, MCL 388.1631A.

25 (B) "DEVELOPMENTAL DISABILITY" MEANS THAT TERM AS DEFINED IN
26 SECTION 100A OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL
27 330.1100A.

1 (C) "QUALIFIED CHARITIES" MEANS ORGANIZATIONS THAT MEET ALL
2 OF THE FOLLOWING CRITERIA:

3 (i) ARE EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE
4 INTERNAL REVENUE CODE.

5 (ii) DISTRIBUTE AT LEAST 85% OF THE FUNDS COLLECTED, AS
6 DETERMINED BY THE DEPARTMENT, IN 1 OF THE FOLLOWING WAYS:

7 (A) TO PROVIDE SERVICES TO QUALIFIED INDIVIDUALS AND FAMI-
8 LIES THAT ARE DESIGNED TO MEET THE GOAL OF PREVENTING AND ALLEVI-
9 ATING POVERTY FOR THOSE INDIVIDUALS AND FAMILIES.

10 (B) TO OTHER ORGANIZATIONS THAT MEET THE CRITERIA UNDER
11 SUB-SUB PARAGRAPH (A).

12 (D) "QUALIFIED INDIVIDUALS AND FAMILIES" MEANS ANY OF THE
13 FOLLOWING:

14 (i) INDIVIDUALS AND FAMILIES THAT ARE MATERIALLY NEEDY AND
15 ARE AT 200% OR LESS OF THE FEDERAL POVERTY STANDARDS FOR A PERSON
16 OR A FAMILY WITH THE SAME FAMILY SIZE.

17 (ii) INDIVIDUALS WHO HAVE A DEVELOPMENTAL DISABILITY OR FAM-
18 ILIES WITH A FAMILY MEMBER WHO HAS A DEVELOPMENTAL DISABILITY.

19 (iii) FAMILIES WITH A FAMILY MEMBER WHO IS AN AT-RISK YOUTH.