

# HOUSE BILL No. 4410

February 24, 2005, Introduced by Reps. Kooiman, Tobocman, Stewart and Sak and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 260 (MCL 206.260), as amended by 1996 PA 484.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 260. (1) A taxpayer may credit against the tax imposed by  
2       this act for the tax year, an amount, subject to the applicable  
3       limitations provided by this section, equal to 50% of the aggregate  
4       amount of charitable contributions made by the taxpayer during the  
5       tax year to any of the following:

6       (a) This state pursuant to the Faxon-McNamee art in public  
7       places act, ~~Act No. 105 of the Public Acts of 1980, being sections~~  
8       ~~18.71 to 18.81 of the Michigan Compiled Laws~~ **1980 PA 105, MCL**  
9       **18.71 TO 18.81**, of an artwork created by the taxpayer, for display

1 in a public place.

2 (b) The state art in public places fund created pursuant to  
3 ~~Act No. 105 of the Public Acts of 1980~~ **THE FAXON-MCNAMEE ART IN**  
4 **PUBLIC PLACES ACT, 1980 PA 105, MCL 18.71 TO 18.81.**

5 (c) A municipality in this state of an artwork created by the  
6 personal effort of the taxpayer for display in a public place.

7 (d) Either a municipality of this state or a nonprofit  
8 corporation affiliated with both a municipality and an art  
9 institute located in the municipality, of money or artwork, whether  
10 or not created by the personal effort of the taxpayer, if for the  
11 purpose of benefiting an art institute located in that  
12 municipality.

13 (e) A public library.

14 (f) A public broadcast station as defined by section 397 of  
15 subpart d of title III of the communications act of 1934, 47  
16 ~~U.S.C.~~ **USC** 397, that is not affiliated with an institution of  
17 higher education and that is located within this state.

18 (g) An institution of higher learning located within this  
19 state.

20 (h) The Michigan colleges foundation.

21 (i) The state museum.

22 (j) The department of state for the purpose of preservation of  
23 the state archives.

24 (k) A nonprofit corporation, fund, foundation, trust, or  
25 association organized and operated exclusively for the benefit of  
26 institutions of higher learning located within this state. A tax  
27 credit for a contribution described in this subdivision is

permitted only if the donee corporation, fund, foundation, trust, or association is controlled or approved and reviewed by the governing board of the institution benefiting from the charitable contribution. The nonprofit corporation, fund, foundation, trust, or association shall provide copies of its annual independently audited financial statements to the auditor general of this state and chairpersons of the senate and house appropriations committees.

**(1) A NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE TO FUND THE CONSTRUCTION OF AN ARTS BUILDING IN THIS STATE.**

(2) For a taxpayer other than a resident estate or trust, the amount allowable as a credit under this section for a tax year shall not exceed \$100.00, or for a husband and wife filing a joint return as provided in section 311, \$200.00.

(3) For a resident estate or trust, the amount allowable as a credit under this section for a tax year shall not exceed 10% of the tax liability for the year as determined without regard to this section or \$5,000.00, whichever is less and shall not have been deducted in arriving at federal taxable income.

(4) As used in this section:

**(A) "ARTS BUILDING" MEANS A BUILDING OR STRUCTURE THE PRIMARY PURPOSE OF WHICH IS TO HOUSE AND DISPLAY ARTWORK TO THE PUBLIC.**

**(B) —(a)—** "Institution of higher learning" means only an educational institution located within this state that meets all of the following requirements:

(i) It maintains a regular faculty and curriculum and has a regularly enrolled body of students in attendance at the place

1 where its educational activities are carried on.

2 (ii) It regularly offers education above the twelfth grade.

3 (iii) It awards associate, bachelors, masters, or doctoral  
4 degrees or a combination of those degrees or higher education  
5 credits acceptable for those degrees granted by other institutions  
6 of higher learning.

7 (iv) It is recognized by the state board of education as an  
8 institution of higher learning and appears as an institution of  
9 higher learning in the annual publication of the department of  
10 education entitled "The Directory of Institutions of Higher  
11 Education".

12 (C) ~~-(b)-~~ "Public library" means that term as defined in  
13 section 2 of the state aid to public libraries act, ~~Act No. 89 of~~  
14 ~~the Public Acts of 1977, being section 397.552 of the Michigan~~  
15 ~~Compiled Laws~~ **1977 PA 89, MCL 397.552.**

16 (D) ~~-(e)-~~ "Contributions made by the taxpayer" means, but is  
17 not limited to, the fair market value of artwork created by the  
18 personal effort of the taxpayer that is donated to and accepted as  
19 a donation by a qualified organization. The fair market value of a  
20 piece of artwork shall be determined at the time of the donation by  
21 independent appraisal.

22 (E) ~~-(d)-~~ "Artwork" means an original, visual creation of  
23 quality executed in any size or shape, in any media, using any kind  
24 or type of materials.

25 (5) The sum of the credits allowed by section 257 and this  
26 section shall not exceed the tax liability of the taxpayer.