

# HOUSE BILL No. 4411

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

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
by amending section 38 (MCL 208.38), as amended by 1980 PA 318.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 38. (1) At the election of taxpayers not subject to ~~Act~~  
2 ~~No. 281 of the Public Acts of 1967, as amended, being sections~~  
3 ~~206.1 to 206.532 of the Michigan Compiled Laws~~ **THE INCOME TAX ACT**  
4 **OF 1967, 1967 PA 281, MCL 206.1 TO 206.532**, there shall be allowed  
5 as a credit against the tax imposed by this act for the taxable  
6 year, an amount, subject to the applicable limitations provided by  
7 this section, equal to 50% of the aggregate amount of charitable  
8 contributions made by the taxpayer during the year to a- **ALL OF THE**  
9 **FOLLOWING:**

1       (A) A public broadcast station as defined by 47 ~~U.S.C.~~ **USC**  
 2   397 ~~which~~ **THAT** is not affiliated with an institution of higher  
 3   education. ~~, public libraries, institutions~~

4       **(B) A PUBLIC LIBRARY.**

5       (C) **INSTITUTIONS** of higher learning located within this state.  
 6   ~~, the~~

7       (D) **THE** Michigan colleges foundation. ~~, or to a~~

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

11       **(F) A** nonprofit corporation, fund, foundation, trust, or  
 12   association organized and operated exclusively for the benefit of  
 13   institutions of higher learning. ~~An institution of higher learning~~  
 14   ~~which receives the contributions through a nonprofit corporation,~~  
 15   ~~fund, foundation, trust, or association organized and operated~~  
 16   ~~exclusively for the benefit of the institution of higher learning,~~  
 17   ~~shall make an annual report to the chairpersons of the house and~~  
 18   ~~senate appropriations committees and the house taxation committee~~  
 19   ~~and senate finance committee indicating in what manner the~~  
 20   ~~contributions were or are being used and any specific conditions~~  
 21   ~~under which a particular contribution was received and how the~~  
 22   ~~money or property from that contribution was or is being used. The~~  
 23   ~~report shall be due not later than February 1 for the immediately~~  
 24   ~~preceding calendar year and shall be issued in 1981 and 1982 only.~~

25       (2) The tax credit shall be permitted **FOR A CONTRIBUTION UNDER**  
 26   **SUBSECTION (1)(F)** only ~~where~~ **IF** the donee corporation, fund,  
 27   foundation, trust, or association is controlled or approved and

1 reviewed by the governing boards of the institutions benefiting  
 2 from the charitable contributions. The nonprofit corporation, fund,  
 3 foundation, trust, or association shall provide copies of their  
 4 annual independently audited financial statements to the auditor  
 5 general of ~~the~~ **THIS** state and chairpersons of the senate and house  
 6 appropriations committees.

7 (3) ~~(2)~~ The amount allowable as a credit under this section  
 8 for any taxable year shall not exceed 5% of the tax liability for  
 9 that year as determined without regard to this section or  
 10 \$5,000.00, whichever is less.

11 (4) ~~(3)~~ As used in this section: ~~—, "institution~~

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

14 (B) **"ARTWORK" MEANS AN ORIGINAL, VISUAL CREATION OF QUALITY**  
 15 **EXECUTED IN ANY SIZE OR SHAPE, IN ANY MEDIA, USING ANY KIND OR TYPE**  
 16 **OF MATERIALS.**

17 (C) **"INSTITUTION of higher learning"** means an educational  
 18 institution located within this state meeting all of the following  
 19 requirements:

20 (i) ~~—(a)~~ It maintains a regular faculty and curriculum and  
 21 has a regularly enrolled body of students in attendance at the  
 22 place where its educational activities are carried on.

23 (ii) ~~—(b)~~ It regularly offers education above the twelfth  
 24 grade.

25 (iii) ~~—(c)~~ It awards associate, bachelors, masters, or  
 26 doctoral degrees or any combination of those degrees or higher  
 27 education credits acceptable for those degrees granted by other

1 institutions of higher learning.

2       (iv) ~~-(d)-~~ It is recognized by the state board of education as  
3 an institution of higher learning and appears as an institution of  
4 higher learning in the annual publication of the department of  
5 education ~~-entitled-~~ **ENTITLED** "the directory of institutions of  
6 higher education".

7       (D) ~~-(4) As used in this section, "public~~ **"PUBLIC** library"  
8 ~~or libraries"~~ means a ~~public library~~ **THAT TERM** as defined in  
9 section 2 of ~~Act No. 89 of the Public Acts of 1977, being section~~  
10 ~~397.552 of the Michigan Compiled Laws~~ **1977 PA 89, MCL 397.552.**

11       (5) The credit allowed by this section shall not be in excess  
12 of the tax liability of the taxpayer.