

SENATE BILL No. 642

June 23, 2005, Introduced by Senators HARDIMAN and THOMAS and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 272. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2005, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS
3 ACT EQUAL TO THE TOTAL OF THE FOLLOWING AMOUNTS:

4 (A) CONTRIBUTIONS MADE IN THE TAX YEAR BY THE TAXPAYER TO AN
5 INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT IF THE TAXPAYER IS THE
6 ACCOUNT HOLDER FOR THAT INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT,
7 NOT TO EXCEED \$2,500.00 PER TAX YEAR.

8 (B) INTEREST EARNED IN THE TAX YEAR ON MONEY IN AN INDIVIDUAL
9 OR FAMILY DEVELOPMENT ACCOUNT ESTABLISHED BY THE TAXPAYER.

10 (C) CONTRIBUTIONS MADE IN THE TAX YEAR TO THE RESERVE FUND OF

1 A COMMUNITY DEVELOPMENT ORGANIZATION PURSUANT TO THE INDIVIDUAL OR
2 FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT IF THE TAXPAYER IS NOT AN
3 ACCOUNT HOLDER.

4 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
5 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
6 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE
7 REFUNDED.

8 (3) AS USED IN THIS SECTION, "ACCOUNT HOLDER", "COMMUNITY
9 DEVELOPMENT ORGANIZATION", "INDIVIDUAL OR FAMILY DEVELOPMENT
10 ACCOUNT", AND "RESERVE FUND" MEAN THOSE TERMS AS DEFINED IN THE
11 INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT.

12 Enacting section 1. This amendatory act does not take effect
13 unless all of the following bills of the 93rd Legislature are
14 enacted into law:

15 (a) Senate Bill No. 640.

16
17 (b) Senate Bill No. 641.