

# SENATE BILL No. 197

February 28, 2017, Introduced by Senators MACGREGOR, EMMONS, KNOLLENBERG, HERTEL, GREGORY, O'BRIEN, HORN, MARLEAU, BIEDA and SCHUITMAKER and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 435 (MCL 206.435), as amended by 2016 PA 184.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

7           (a) For the 2010 tax year and each tax year after the 2010 tax  
8 year, the Michigan higher education assistance authority created in  
9 section 1 of 1960 PA 77, MCL 390.951, for the children of veterans  
10 tuition grant program created in the children of veterans tuition

1 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the  
2 contributions designated to this subdivision shall be used for the  
3 purpose of administering this section.

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

7 (c) For the 2010 tax year and each tax year after the 2010 tax  
8 year, the military family relief fund created in section 3 of the  
9 military family relief fund act, 2004 PA 363, MCL 35.1213.

10 (d) The animal welfare fund created in the animal welfare fund  
11 act, 2007 PA 132, MCL 287.991 to 287.997.

12 (e) For the 2009 tax year and each tax year after the 2009 tax  
13 year, the United Way fund created in section 3 of the United Way  
14 fund act, 2008 PA 527, MCL 333.26533.

15 (f) For the 2012 tax year and each tax year after the 2012 tax  
16 year, the Special Olympics Michigan fund created in section 5 of  
17 the special Olympics Michigan fund act, 2012 PA 155, MCL 206.945.

18 (g) For the 2013 tax year and each tax year after the 2013 tax  
19 year, the ALS of Michigan ("Lou Gehrig's disease") fund created in  
20 section 3 of the ALS of Michigan ("Lou Gehrig's disease") fund act,  
21 2013 PA 89, MCL 206.933.

22 (h) For the 2013 tax year and each tax year after the 2013 tax  
23 year, the Michigan Alzheimer's Association fund created in section  
24 5 of the Michigan Alzheimer's association fund act, 2013 PA 88, MCL  
25 206.965.

26 (i) For the 2016 tax year and each tax year after the 2016 tax  
27 year, the Michigan junior achievement fund created in section 5 of

1 the Michigan junior achievement fund act, 2016 PA 181, MCL  
2 206.1015.

3 (j) For the 2016 tax year and each tax year after the 2016 tax  
4 year, the American Red Cross Michigan fund created in section 5 of  
5 the American Red Cross Michigan fund act, 2016 PA 183, MCL  
6 206.1035.

7 (K) FOR THE 2017 TAX YEAR AND EACH TAX YEAR AFTER THE 2017 TAX  
8 YEAR, THE FOSTERING FUTURES SCHOLARSHIP TRUST FUND CREATED IN  
9 SECTION 3 OF THE FOSTERING FUTURES SCHOLARSHIP TRUST FUND ACT, 2008  
10 PA 525, MCL 722.1023.

11 (2) Subject to the limitations provided under this subsection,  
12 the department shall establish and utilize a separate contributions  
13 schedule that incorporates each contribution designation authorized  
14 under this section that remains in effect and available for each  
15 tax year and shall revise the state individual income tax return  
16 form to include a separate line for the total contribution  
17 designations made under the separate contributions schedule. The  
18 contribution designations authorized under sections 437, 438, and  
19 440 shall be incorporated into the contributions schedule for the  
20 2010 tax year and shall remain on the schedule until the  
21 contribution designation expires by law or is otherwise no longer  
22 available as determined by the department pursuant to subsection  
23 (3). A contribution designation that is enacted after November 1,  
24 2007 shall be incorporated as soon as practical on the  
25 contributions schedule, and each new contribution designation shall  
26 be listed on the schedule in alphabetical order. The separate  
27 contributions schedule required under this section shall include

1 not more than ~~10~~ 11 separate contribution designations in any  
2 single tax year.

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

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

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

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

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

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

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

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

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

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

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

25 (d) Whether the organization had previously been included on  
26 the contributions schedule within the last immediately preceding 3  
27 years and was removed because it failed to raise a sufficient

1 amount of money as prescribed under subsection (3).

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

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

6 Enacting section 1. This amendatory act does not take effect  
7 unless Senate Bill No. 196

8 of the 99th Legislature is enacted into law.