

INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

***** 206.510.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 1, 2012 *****

206.510.amended "Income" and "owner" defined.

Sec. 510. (1) "Income" means the sum of federal adjusted gross income as defined in the internal revenue code plus all income specifically excluded or exempt from the computations of the federal adjusted gross income except that beginning with the 1988 tax year, a deduction for a carryback or carryover of a net operating loss shall not exceed federal modified taxable income as defined in section 172(b)(2) of the internal revenue code. Also, a person who is enrolled in an accident or health insurance plan may deduct from income the amount that person paid in premiums in the tax year for that insurance plan for the person's family. Income does not include any of the following:

- (a) The first \$300.00 of gifts in cash or kind from nongovernmental sources.
- (b) The first \$300.00 received from awards, prizes, lottery, bingo, or other gambling winnings.
- (c) Surplus foods.
- (d) Relief in kind supplied by a governmental agency.
- (e) Payments or credits under this part.

(f) A governmental grant that has to be used by the claimant for rehabilitation of the claimant's homestead.

(g) Stipends received by a person 60 years of age or older who is acting as a foster grandparent under the foster grandparent program authorized pursuant to section 211 of part B of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 USC 5011, or who is acting as a senior companion pursuant to section 213 of part C of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 USC 5013.

- (h) Amounts deducted from monthly social security or railroad retirement benefits for medicare premiums.
- (i) Contributions by an employer to life, accident, or health insurance plans.
- (j) Energy assistance grants and energy assistance tax credits.

(2) "Owner" means a natural person who owns or is purchasing a homestead under a mortgage or land contract, who owns or is purchasing a dwelling situated on the leased lands of another, or who is a tenant-stockholder of a cooperative housing corporation.

History: Add. 1973, Act 20, Imd. Eff. May 16, 1973;—Am. 1977, Act 1, Imd. Eff. Feb 23, 1977;—Am. 1978, Act 43, Imd. Eff. Mar. 7, 1978;—Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 261, Imd. Eff. July 15, 1988;—Am. 1995, Act 244, Imd. Eff. Dec. 27, 1995;—Am. 1995, Act 245, Imd. Eff. Dec. 27, 1995;—Am. 2011, Act 38, Eff. Jan. 1, 2012.

Compiler's note: Section 2 of Act 43 of 1978 provides: "This amendatory act shall take effect for all tax years beginning January 1, 1977, and thereafter."

Section 2 of Act 261 of 1988 provides: "This amendatory act is effective for a tax year that begins after December 31, 1986."