

**SUBSTITUTE FOR
HOUSE BILL NO. 4993**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.713) by adding section 261.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 261. (1) For tax years beginning on and after January 1,**
2 **2020, a taxpayer may credit against the tax imposed by this part**
3 **for the tax year an amount, subject to the applicable limitations**
4 **under this section, equal to 50% of the amount the taxpayer**
5 **contributes during the tax year to an endowment fund of a community**
6 **foundation. For a taxpayer other than a resident estate or trust,**
7 **the credit allowed under this section shall not exceed \$100.00, or**
8 **\$200.00 for a joint return. For a resident estate or trust, the**
9 **credit allowed under this section shall not exceed 10% of the**



1 taxpayer's tax liability for the tax year before claiming any
2 credits allowed by this part or \$5,000.00, whichever is less. For a
3 resident estate or trust, the amount used to calculate the credits
4 under this section shall not have been deducted in arriving at
5 federal taxable income.

6 (2) If the amount of the credits allowed under this section
7 exceeds the tax liability of the taxpayer for the tax year, the
8 portion that exceeds the tax liability shall not be refunded.

9 (3) On or before July 1 of each year, the department shall
10 report to the house committee on tax policy and the senate finance
11 committee the total amount of tax credits claimed under this
12 section for the immediately preceding tax year.

13 (4) As used in this section, "community foundation" means an
14 organization that applies for certification on or before May 15 of
15 the tax year for which the taxpayer is claiming the credit and that
16 the department certifies for that tax year as meeting the
17 requirements of a community foundation as provided in section 3 of
18 the Michigan community foundation act, 2017 PA 38, MCL 123.903.
19 However, for purposes of this section, the organization only needs
20 to have assets of at least \$1,000,000.00 to qualify for
21 certification by the department.

