

HOUSE BILL No. 5025

July 28, 1989, Introduced by Reps. Bandstra, Stacey, Fitzgerald, Munsell, Randall, DeMars, Giese, Power, Runco, Porreca, Palamara, Krause, Weeks, Gnodtke, Van Singel, Allen, Willis Bullard, Wallace, Bankes, Kosteva, Crandall and Perry Bullard and referred to the Committee on Taxation.

A bill to amend section 510 of Act No. 281 of the Public Acts of 1967, entitled "Income tax act of 1967," as amended by Act No. 261 of the Public Acts of 1988, being section 206.510 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 510 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 261 of the Public Acts of 1988, being
3 section 206.510 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 510. (1) "Income" means, EXCEPT AS OTHERWISE PROVIDED
6 IN THIS SUBSECTION, the sum of ~~federal~~ adjusted gross income as
7 defined in SECTION 62 OF the internal revenue code plus all
8 income specifically excluded or exempt from the computations of
9 the federal adjusted gross income, except that, beginning with

1 the 1988 tax year, a deduction for a carryback or carryover of a
2 net operating loss shall not exceed federal modified taxable
3 income as ~~defined~~ DESCRIBED in section 172(b)(2) of the inter-
4 nal revenue code. ~~The term~~ INCOME does not include the first
5 \$300.00 of gifts in cash or kind from nongovernmental sources or
6 the first \$300.00 received from awards, prizes, lottery, bingo,
7 or other gambling winnings. Income does not include surplus
8 foods; ~~—~~ relief in kind supplied by a governmental agency; ~~—~~
9 payments or credits under this act; ~~—~~ any governmental grant
10 that has to be used by the claimant for rehabilitation of the
11 homestead; ~~—~~ amounts deducted from monthly social security or
12 railroad retirement benefits for medicare premiums; ~~—~~ PAYMENTS
13 RECEIVED UNDER THE CIVIL LIBERTIES ACT OF 1988, TITLE I OF PUBLIC
14 LAW 100-383, 102 STAT. 904; PAYMENTS RECEIVED BY A VETERAN AS THE
15 RESULT OF HIS OR HER EXPOSURE TO AGENT ORANGE OR A CHEMICAL AGENT
16 AS THOSE TERMS ARE DEFINED IN SECTION 5701 OF THE PUBLIC HEALTH
17 CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION
18 333.5701 OF THE MICHIGAN COMPILED LAWS; or contributions by an
19 employer to life, accident, or health insurance plans. Income
20 does not include energy assistance grants and energy assistance
21 tax credits. Beginning with the 1977 tax year and for tax years
22 after 1977, IN CALCULATING INCOME UNDER THIS SUBSECTION, a person
23 who is enrolled in an accident or health insurance plan may
24 deduct from income the amount the person ~~has~~ paid in premiums
25 in the tax year for that insurance plan for the person's family.
26 (2) "Owner" means a natural person who owns or is purchasing
27 a homestead under a mortgage or land contract, who owns or is

1 purchasing a dwelling situated on the leased lands of another, or
2 who is a tenant-stockholder of a cooperative housing
3 corporation.