

HOUSE BILL No. 5038

September 20, 1989, Introduced by Rep. Bryant and referred to the Committee on Taxation.

A bill to amend section 260 of Act No. 281 of the Public Acts of 1967, entitled

"Income tax act of 1967,"

as amended by Act No. 153 of the Public Acts of 1988, being section 206.260 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 260 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 153 of the Public Acts of 1988, being
3 section 206.260 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 260. (1) A taxpayer may credit against the tax imposed
6 by this act for the taxable year, an amount, subject to the
7 applicable limitations provided by this section, equal to 50% of
8 the aggregate amount of charitable contributions made by the
9 taxpayer during the TAXABLE year to any of the following:

1 (a) This state. ~~pursuant to the Faxon McNamee art in~~
2 ~~public places act, Act No. 105 of the Public Acts of 1980, being~~
3 ~~sections 18.71 to 18.81 of the Michigan Compiled Laws, of an art~~
4 ~~work created by the taxpayer, for display in a public place.~~

5 (b) ~~The state art in public places fund created pursuant to~~
6 ~~Act No. 105 of the Public Acts of 1980.~~ A LOCAL UNIT OF GOVERN-
7 MENT AS DEFINED IN SECTION 3 OF ACT NO. 101 OF THE PUBLIC ACTS OF
8 1979, BEING SECTION 21.233 OF THE MICHIGAN COMPILED LAWS.

9 ~~(c) A municipality in this state of an artwork created by~~
10 ~~the personal effort of the taxpayer for display in a public~~
11 ~~place.~~

12 (C) ~~(d) Either a municipality of this state or a~~ A non-
13 profit corporation affiliated with both a municipality OF THIS
14 STATE and an art institute located in the municipality, of money
15 or artwork, whether or not created by the personal effort of the
16 taxpayer, if for the purpose of benefiting an art institute
17 located in that municipality.

18 (D) ~~(e)~~ A public library.

19 (E) ~~(f)~~ A public broadcast station as defined by section
20 397 of subpart d of title III of the communications act of 1934,
21 47 U.S.C. 397, that is not affiliated with an institution of
22 higher education and that is located within this state.

23 (F) ~~(g)~~ An institution of higher learning located within
24 this state.

25 (G) ~~(h)~~ The Michigan colleges foundation.

26 ~~(i) The state museum.~~

1 ~~(j) The department of state for the purpose of preservation~~
2 ~~of the state archives.~~

3 (H) ~~(k)~~ A nonprofit corporation, fund, foundation, trust,
4 or association organized and operated exclusively for the benefit
5 of institutions of higher learning located within this state. A
6 tax credit for a contribution described in this subdivision is
7 permitted only if the donee corporation, fund, foundation, trust,
8 or association is controlled or approved and reviewed by the gov-
9 erning board of the institution benefiting from the charitable
10 contribution. The nonprofit corporation, fund, foundation,
11 trust, or association shall provide copies of its annual indepen-
12 dently audited financial statements to the auditor general of
13 this state and chairpersons of the senate and house appropria-
14 tions committees.

15 (I) A FOUNDATION ORGANIZED AND OPERATED EXCLUSIVELY FOR THE
16 BENEFIT OF OR TO CARRY OUT THE PURPOSES OF AN ENTITY OTHER THAN
17 AN INSTITUTION OF HIGHER LEARNING IF A CONTRIBUTION DIRECTLY TO
18 THE ENTITY WOULD ENTITLE A TAXPAYER TO A CREDIT UNDER THIS SEC-
19 TION AND THE DONEE FOUNDATION IS APPROVED AND REVIEWED BY THAT
20 ENTITY.

21 (2) For a taxpayer other than a resident estate or trust,
22 the amount allowable as a credit under this section for a taxable
23 year shall not exceed ~~-\$100.00-~~ \$1,000.00, or for a husband and
24 wife filing a joint return as provided in section 311, ~~-\$200.00-~~
25 \$2,000.00.

26 (3) For a resident estate or trust, the amount allowable as
27 a credit under this section for a taxable year shall not exceed

1 ~~10%~~ 20% of the tax liability for the TAXABLE year as determined
2 without regard to this section or \$5,000.00, whichever is less.

3 (4) For the purpose of this section, "institution of higher
4 learning" means only an educational institution located within
5 this state meeting all of the following requirements:

6 (a) It maintains a regular faculty and curriculum and has a
7 regularly enrolled body of students in attendance at the place
8 where its educational activities are carried on.

9 (b) It regularly offers education above the twelfth grade.

10 (c) It awards associate, bachelors, masters, or doctoral
11 degrees or a combination of those degrees or higher education
12 credits acceptable for those degrees granted by other institu-
13 tions of higher learning.

14 (d) It is recognized by the state board of education as an
15 institution of higher learning and appears as such in the annual
16 publication of the department of education entitled "The
17 Directory of Institutions of Higher Education".

18 (5) "Public library" means that term as defined in section 2
19 of the state aid to public libraries act, Act No. 89 of the
20 Public Acts of 1977, being section 397.552 of the Michigan
21 Compiled Laws.

22 (6) As used in subsection (1), "contributions made by the
23 taxpayer" includes, but is not limited to, the fair market value
24 of artwork created by the personal effort of the taxpayer that is
25 donated to and accepted as a donation by a qualified
26 organization. The fair market value of a piece of artwork shall
27 be determined at the time of the donation by independent

1 appraisal. For purposes of this subsection and subsection (1),
2 "artwork" means an original, visual creation of quality executed
3 in any size or shape, in any media, using any kind or type of
4 materials.

5 (7) ~~The sum of the credits allowed by section 257 and this~~
6 ~~section shall not be in excess of the tax liability of the~~
7 ~~taxpayer.~~ THE CREDIT ALLOWED BY THIS SECTION IS NONREFUNDABLE
8 AND SHALL BE USED ONLY TO OFFSET THE TAX OTHERWISE DUE UNDER THIS
9 ACT.