

# HOUSE BILL No. 6146

November 8, 1990, Introduced by Rep. Jaye and referred to the Committee on Taxation.

A bill to amend section 34 of chapter 2 of Act No. 284 of the Public Acts of 1964, entitled "City income tax act," being section 141.634 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 34 of chapter 2 of Act No. 284 of the  
2 Public Acts of 1964, being section 141.634 of the Michigan  
3 Compiled Laws, is amended to read as follows:

### 4 CHAPTER 2

5 Sec. 34. (1) The following expenses paid or incurred by an  
6 individual may be deducted from THE INDIVIDUAL'S gross income in  
7 determining income subject to tax to the extent the expenses are  
8 applicable to income taxable under this ordinance:

9 (a) An individual may deduct alimony, separate maintenance  
10 payments, and principal sums payable in installments, to the

1 extent includable in the INDIVIDUAL'S spouse's OR FORMER SPOUSE'S  
2 adjusted gross income under the federal internal revenue code but  
3 only to the extent deductible by the individual under the federal  
4 internal revenue code. A nonresident individual may deduct only  
5 that proportion of ~~his~~ THE INDIVIDUAL'S alimony, separate main-  
6 tenance, or principal sums payable in installments that ~~his~~ THE  
7 INDIVIDUAL'S income taxable under this ordinance bears to ~~his~~  
8 THE INDIVIDUAL'S total federal adjusted gross income.

9 (b) An employee or self-employed individual may deduct  
10 moving expenses to the extent provided in section 217 of the fed-  
11 eral internal revenue code.

12 (c) A self-employed individual may deduct payments to a  
13 qualified retirement plan to the extent provided in section 404  
14 of the federal internal revenue code.

15 (d) An individual may deduct payments to an individual  
16 retirement account established pursuant to the employee retire-  
17 ment income security act of 1974, ~~29 U.S.C. 1001 to 1381~~  
18 PUBLIC LAW 93-406, to the extent provided in section 219 of the  
19 internal revenue code.

20 (2) A RESIDENT WHO IS A FULL-TIME STUDENT AT A PUBLIC INSTI-  
21 TUTION OF HIGHER EDUCATION DURING EACH OF 5 CALENDAR MONTHS OF  
22 THE TAXABLE YEAR MAY DEDUCT \$1,200.00 FROM TAXABLE INCOME. A  
23 NONRESIDENT OR PART-YEAR RESIDENT WHO IS A FULL-TIME STUDENT AT A  
24 PUBLIC INSTITUTION OF HIGHER EDUCATION DURING EACH OF 5 CALENDAR  
25 MONTHS OF THE TAXABLE YEAR MAY DEDUCT FROM TAXABLE INCOME THAT  
26 PORTION OF \$1,200.00 THAT THE INDIVIDUAL'S INCOME FROM CITY  
27 SOURCES BEARS TO THE INDIVIDUAL'S INCOME FROM ALL SOURCES. AS

1 USED IN THIS SUBSECTION, "PUBLIC INSTITUTION OF HIGHER EDUCATION"  
2 MEANS A COLLEGE OR UNIVERSITY DESCRIBED IN SECTION 4, 5, OR 6 OF  
3 ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, OR A COMMUNITY  
4 COLLEGE OR JUNIOR COLLEGE ESTABLISHED UNDER ANY OF THE  
5 FOLLOWING:

6 (A) SECTION 7 OF ARTICLE VIII OF THE STATE CONSTITUTION OF  
7 1963.

8 (B) PART 25 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE  
9 PUBLIC ACTS OF 1976, BEING SECTIONS 380.1601 TO 380.1607 OF THE  
10 MICHIGAN COMPILED LAWS.

11 (C) THE COMMUNITY COLLEGE ACT OF 1966, ACT NO. 331 OF THE  
12 PUBLIC ACTS OF 1966, BEING SECTIONS 389.1 TO 389.195 OF THE  
13 MICHIGAN COMPILED LAWS.