

SENATE BILL No. 304

April 12, 1989, Introduced by Senators CRUCE, ENGLER,
GEAKE, CONROY, EHLERS, CROPSEY, SCHWARZ, DINGELL
and WELBORN and referred to the Committee on Finance.

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:

CHAPTER 2

5 Sec. 34. The following expenses paid or incurred by an
6 individual may be deducted from gross income in determining
7 income subject to tax to the extent the expenses are applicable
8 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 spouse's adjusted gross income under the
2 federal internal revenue code, but only to the extent deductible
3 by the individual under the federal internal revenue code. A
4 nonresident individual may deduct only that proportion of his OR
5 HER alimony, separate maintenance, or principal sums payable in
6 installments that his OR HER income taxable under this ordinance
7 bears to his OR HER total federal adjusted gross income.

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

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

14 (d) An individual may deduct payments to an individual
15 retirement account established pursuant to the employee retire-
16 ment income security act of 1974, ~~29 U.S.C. 1001 to 1381~~ PUBLIC
17 LAW 93-406, 88 STAT. 829, to the extent provided in section 219
18 of the internal revenue code.

19 (E) AN INDIVIDUAL MAY DEDUCT THE AMOUNT OF A PAYMENT MADE IN
20 THE TAX YEAR TO THE DEVELOPMENTALLY DISABLED DEPENDENT TRUST FUND
21 AS PROVIDED IN SECTION 846 OF THE MENTAL HEALTH CODE, ACT NO. 258
22 OF THE PUBLIC ACTS OF 1974, BEING SECTION 330.1846 OF THE
23 MICHIGAN COMPILED LAWS.

24 (F) AN INDIVIDUAL MAY DEDUCT, TO THE EXTENT INCLUDABLE IN
25 ADJUSTED GROSS INCOME UNDER THE FEDERAL INTERNAL REVENUE CODE,
26 THE AMOUNT OF A PAYMENT MADE FROM THE DEVELOPMENTALLY DISABLED
27 DEPENDENT TRUST FUND TO PROVIDE SERVICES TO THE INDIVIDUAL UNDER

1 SECTION 846 OF THE MENTAL HEALTH CODE, ACT NO. 258 OF THE PUBLIC
2 ACTS OF 1974.

3 (G) AN INDIVIDUAL MAY DEDUCT THE AMOUNT OF THE INDIVIDUAL'S
4 INCOME DEDUCTED AND WITHHELD BY THE INDIVIDUAL'S EMPLOYER FOR
5 PAYMENT TO A COUNTY COMMUNITY MENTAL HEALTH PROGRAM ON BEHALF OF
6 A DEVELOPMENTALLY DISABLED DEPENDENT UNDER SECTION 848 OF THE
7 MENTAL HEALTH CODE, ACT NO. 258 OF THE PUBLIC ACTS OF 1974, BEING
8 SECTION 330.1848 OF THE MICHIGAN COMPILED LAWS.

9 Section 2. This amendatory act shall not take effect unless
10 Senate Bill No. 8
11 of the 85th Legislature is enacted into law.