

# SENATE BILL No. 459

May 18, 1989, Introduced by Senators SCHWARZ and O'BRIEN  
and referred to the Committee on Finance.

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 sec-  
tion 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 year to any of the following:

1 (a) This state pursuant to the Faxon-McNamee art in public  
2 places act, Act No. 105 of the Public Acts of 1980, being sec-  
3 tions 18.71 to 18.81 of the Michigan Compiled Laws, of an artwork  
4 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.

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

10 (d) Either a municipality of this state or a nonprofit cor-  
11 poration affiliated with both a municipality and an art institute  
12 located in the municipality, of money or artwork, whether or not  
13 created by the personal effort of the taxpayer, if for the pur-  
14 pose of benefiting an art institute located in that  
15 municipality.

16 (e) A public library OR THE LIBRARY OF MICHIGAN FOUNDATION.

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

21 (g) An institution of higher learning located within this  
22 state.

23 (h) The Michigan colleges foundation.

24 (i) The state museum.

25 (j) The department of state for the purpose of preservation  
26 of the state archives.

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

13 (2) For a taxpayer other than a resident estate or trust,  
14 the amount allowable as a credit under this section for a taxable  
15 year shall not exceed \$100.00, or for a husband and wife filing a  
16 joint return as provided in section 311, \$200.00.

17 (3) For a resident estate or trust, the amount allowable as  
18 a credit under this section for a taxable year shall not exceed  
19 10% of the tax liability for the year as determined without  
20 regard to this section or \$5,000.00, whichever is less.

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

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

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

2 (c) It awards associate, bachelors, masters, or doctoral  
3 degrees or a combination of those degrees or higher education  
4 credits acceptable for those degrees granted by other institu-  
5 tions of higher learning.

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

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

14 (6) As used in subsection (1), "contributions made by the  
15 taxpayer" includes, but is not limited to, the fair market value  
16 of artwork created by the personal effort of the taxpayer that is  
17 donated to and accepted as a donation by a qualified  
18 organization. The fair market value of a piece of artwork shall  
19 be determined at the time of the donation by independent  
20 appraisal. For purposes of this subsection and subsection (1),  
21 "artwork" means an original, visual creation of quality executed  
22 in any size or shape, in any media, using any kind or type of  
23 materials.

24 (7) The sum of the credits allowed by section 257 and this  
25 section shall not be in excess of the tax liability of the  
26 taxpayer.