

HOUSE BILL No. 5979

June 30, 1998, Introduced by Rep. Perricone and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 260 (MCL 206.260), as amended by 1996 PA 484.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 260. (1) A taxpayer may credit against the tax imposed
2 by this act for the tax year, an amount, subject to the applica-
3 ble limitations provided by this section, equal to 50% of the
4 aggregate amount of charitable contributions made by the taxpayer
5 during the tax year to any of the following:

6 (a) This state pursuant to the Faxon-McNamee art in public
7 places act, ~~Act No. 105 of the Public Acts of 1980, being sec-~~
8 ~~tions 18.71 to 18.81 of the Michigan Compiled Laws~~ 1980 PA 105,
9 MCL 18.71 TO 18.81, of an artwork created by the taxpayer, for
10 display in a public place.

1 (b) The state art in public places fund created pursuant to
2 ~~Act No. 105 of the Public Acts of 1980~~ THE FAXON-MCNAMEE ART IN
3 PUBLIC PLACES ACT, 1980 PA 105, MCL 18.71 TO 18.81.

4 (c) A municipality in this state of an artwork created by
5 the personal effort of the taxpayer for display in a public
6 place.

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

13 (e) A public library.

14 (f) A public broadcast station as defined by section 397 of
15 subpart ~~d~~ E of PART IV OF title III of the communications act
16 of 1934, 47 U.S.C. 397, that is not affiliated with an institu-
17 tion of higher education and that is located within this state.

18 (g) An institution of higher learning located within this
19 state.

20 (h) The Michigan colleges foundation.

21 (i) The state museum.

22 (j) The department of state for the purpose of preservation
23 of the state archives.

24 (k) A nonprofit corporation, fund, foundation, trust, or
25 association organized and operated exclusively for the benefit of
26 institutions of higher learning located within this state. A tax
27 credit for a contribution described in this subdivision is

1 permitted only if the donee corporation, fund, foundation, trust,
2 or association is controlled or approved and reviewed by the gov-
3 erning board of the institution benefiting from the charitable
4 contribution. The nonprofit corporation, fund, foundation,
5 trust, or association shall provide copies of its annual indepen-
6 dently audited financial statements to the auditor general of
7 this state and chairpersons of the senate and house appropria-
8 tions committees.

9 (1) A HISTORICAL SOCIETY.

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

14 (3) For a resident estate or trust, the amount allowable as
15 a credit under this section for a tax year shall not exceed 10%
16 of the tax liability for the year as determined without regard to
17 this section or \$5,000.00, whichever is less and shall not have
18 been deducted in arriving at federal taxable income.

19 (4) As used in this section:

20 (a) "Institution of higher learning" means only an educa-
21 tional institution located within this state that meets all of
22 the following requirements:

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

26 (ii) It regularly offers education above the twelfth grade.

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

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

10 (b) "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~~ 1977 PA 89, MCL 397.552.

14 (c) "Contributions made by the taxpayer" means, but is not
15 limited to, the fair market value of artwork created by the per-
16 sonal effort of the taxpayer that is donated to and accepted as a
17 donation by a qualified organization. The fair market value of a
18 piece of artwork shall be determined at the time of the donation
19 by independent appraisal.

20 (d) "Artwork" means an original, visual creation of quality
21 executed in any size or shape, in any media, using any kind or
22 type of materials.

23 (E) "HISTORICAL SOCIETY" MEANS AN ENTITY ORGANIZED IN THIS
24 STATE THAT WAS ESTABLISHED MORE THAN 100 YEARS BEFORE THE EFFEC-
25 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION AND
26 THAT MEETS ALL OF THE FOLLOWING CRITERIA:

1 (i) IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE
2 INTERNAL REVENUE CODE.

3 (ii) PROVIDES PROGRAMS AND PUBLICATIONS THAT FOSTER CITIZEN
4 UNDERSTANDING AND APPRECIATION OF MICHIGAN HISTORY.

5 (iii) ENCOURAGES THE COLLECTION, PRESERVATION, INTERPRETA-
6 TION, AND PROMOTION OF MICHIGAN THROUGH CONFERENCES, PUBLICA-
7 TIONS, AWARDS, EDUCATIONAL PROGRAMS, AND CONSULTING SERVICES
8 RELATED TO MICHIGAN HISTORY.

9 (iv) SPONSORS AND DISTRIBUTES A SEMIANNUAL SCHOLARLY JOURNAL
10 THAT REPORTS RESEARCH ON TOPICS RELATING TO MICHIGAN HISTORY.

11 (v) PUBLISHES NEWSLETTERS AND TEACHER RESOURCE INFORMATION.

12 (vi) HAS AN ELECTED BOARD OF TRUSTEES AND A MEMBERSHIP THAT
13 IS REPRESENTATIVE OF ALL GEOGRAPHIC AREAS OF THE STATE.

14 (5) The sum of the credits allowed by section 257 and this
15 section shall not exceed the tax liability of the taxpayer.