



House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

## INCOME TAX: CHARITABLE CONTRIBUTIONS, ETC.

House Bills 4921-4923  
Sponsor: Rep. Michael Switalski  
Committee: Tax Policy

Complete to 4-13-00

### A SUMMARY OF HOUSE BILLS 4921-4923 AS INTRODUCED 9-30-99

The bills would amend the Income Tax Act to increase the credits available for contributions made to certain public organizations, to community foundations, and to homeless shelters and food banks; and to increase the deduction for contributions to political campaigns. The maximum credit or deduction available would be doubled in each case for both an individual taxpayer and a husband and wife filing jointly. (A credit directly reduces tax liability; a deduction is a reduction in taxable income used in calculating tax liability.)

A taxpayer can claim a credit against the income tax for up to 50 percent of charitable contributions made to public libraries; public broadcasting stations; institutions of higher learning and related organizations; the Michigan Colleges Foundation; the state museum; the Department of State for archives preservation; certain art institutes; to the State Art in Public Places Fund; and for contributions made in the form of artwork to municipalities and certain art institutes. The maximum credit for all such contributions currently allowed is \$100 for a single return and \$200 for a husband and wife filing jointly. House Bill 4921 would increase the maximum to \$200 for single filers and \$400 for joint filers for tax years after the 1999 tax year. (MCL 206.260)

A taxpayer can claim a credit for up to 50 percent of contributions made to community foundations up to a maximum of \$100 for a single return or \$200 for a joint return and can claim a similar credit up to the same maximums for contributions to shelters for homeless persons, food kitchens, food banks, and other organizations whose primary purpose is to provide overnight accommodation, food, or meals to the indigent. House Bill 4922 would increase the maximum for each credit to \$200 for single returns and \$400 for joint filers for tax years after the 1999 tax year. (MCL 206.261)

A taxpayer can deduct from taxable income political contributions (as described in the Michigan Campaign Finance Act or the Federal Election Campaign Act), up to \$50 for a single return and \$100 for a joint return. House Bill 4923 would increase the maximum deduction to \$100 and \$200, respectively, for tax years after the 1999 tax year. (MCL 206.30)

Analyst: C. Couch

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.