

# HOUSE BILL No. 4729

May 25, 1999, Introduced by Reps. Jansen, Hart, Byl, Thomas, Ehardt, Birkholz, DeRossett, Voorhees, Gosselin, Richner, Toy, Garcia, DeWeese, Bishop and Sanborn and referred to the Committee on Tax Policy.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 39d.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 39D. (1) FOR TAX YEARS THAT BEGIN ON AND AFTER JANUARY  
2 1, 2000, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY  
3 THIS ACT EQUAL TO THE CASH AMOUNT, THE FAIR MARKET VALUE OF TAN-  
4 GIBLE PERSONAL PROPERTY, AND THE ECONOMIC VALUE OF PERSONAL SERV-  
5 ICES DONATED BY THE TAXPAYER IN THE TAX YEAR TO QUALIFIED  
6 CHARITIES.

7        (2) THE AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION FOR  
8 ANY TAX YEAR SHALL NOT EXCEED 5% OF THE TAXPAYER'S TAX LIABILITY  
9 FOR THAT YEAR AS DETERMINED WITHOUT REGARD TO THIS SECTION OR  
10 \$10,000.00, WHICHEVER IS LESS.

1 (3) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER SHALL  
2 LIST EACH OF THE QUALIFIED CHARITIES TO WHICH A CONTRIBUTION IS  
3 MADE AND THE AMOUNT OF THE CONTRIBUTION THAT IS USED TO CALCULATE  
4 THE CREDIT FOR THE TAX YEAR AND ATTACH THE LIST TO THE TAXPAYER'S  
5 ANNUAL TAX RETURN REQUIRED UNDER THIS ACT.

6 (4) A TAXPAYER SHALL NOT INCLUDE IN THE CALCULATION OF THE  
7 CREDIT UNDER THIS SECTION ANY AMOUNT USED TO CALCULATE ANY OTHER  
8 CREDIT OR DEDUCTION UNDER THIS ACT OR UNDER THE INCOME TAX ACT OF  
9 1967, 1967 PA 281, MCL 206.1 TO 206.532.

10 (5) AN ORGANIZATION MAY REQUEST THAT THE DEPARTMENT DETER-  
11 MINE IF A CONTRIBUTION TO THAT ORGANIZATION QUALIFIES FOR THE  
12 CREDIT UNDER THIS SECTION. THE DEPARTMENT SHALL MAKE THE DETER-  
13 MINATION AND RESPOND TO A REQUEST NOT LATER THAN 30 DAYS AFTER  
14 THE DEPARTMENT RECEIVES THE REQUEST.

15 (6) THE DEPARTMENT SHALL CONDUCT A STUDY TO DETERMINE  
16 WHETHER THE QUALIFIED CHARITIES TO WHICH CONTRIBUTIONS WERE MADE  
17 AND USED TO CALCULATE A CREDIT UNDER THIS SECTION IN THE 2000 TAX  
18 YEAR MEET THE GOALS DESCRIBED IN SUBSECTION (7)(C) AND DELIVER A  
19 REPORT ON THE RESULTS OF THAT STUDY TO THE LEGISLATURE NOT LATER  
20 THAN JULY 1, 2001. (7) AS USED IN THIS SECTION:

21 (A) "AT-RISK YOUTH" MEANS AN AT-RISK PUPIL AS THAT TERM IS  
22 DEFINED IN SECTION 31A OF THE STATE SCHOOL AID ACT OF 1979, 1979  
23 PA 94, MCL 388.1631A.

24 (B) "DEVELOPMENTAL DISABILITY" MEANS THAT TERM AS DEFINED IN  
25 SECTION 100A OF THE MENTAL HEALTH CODE, 1974 PA 258,  
26 MCL 330.1100A.

1 (C) "QUALIFIED CHARITIES" MEANS ORGANIZATIONS THAT MEET ALL  
2 OF THE FOLLOWING CRITERIA:

3 (i) ARE EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE  
4 INTERNAL REVENUE CODE.

5 (ii) DISTRIBUTE AT LEAST 85% OF THE FUNDS COLLECTED, AS  
6 DETERMINED BY THE DEPARTMENT, IN 1 OF THE FOLLOWING WAYS:

7 (A) TO PROVIDE SERVICES TO QUALIFIED INDIVIDUALS AND FAMI-  
8 LIES THAT ARE DESIGNED TO MEET THE GOAL OF PREVENTING AND ALLEVI-  
9 ATING POVERTY FOR THOSE INDIVIDUALS AND FAMILIES.

10 (B) TO OTHER ORGANIZATIONS THAT MEET THE CRITERIA UNDER  
11 SUB-SUBPARAGRAPH (A).

12 (D) "QUALIFIED INDIVIDUALS AND FAMILIES" MEANS ANY OF THE  
13 FOLLOWING:

14 (i) INDIVIDUALS AND FAMILIES THAT ARE MATERIALLY NEEDY AND  
15 ARE AT 200% OR LESS OF THE FEDERAL POVERTY STANDARDS FOR A PERSON  
16 OR A FAMILY WITH THE SAME FAMILY SIZE.

17 (ii) INDIVIDUALS WHO HAVE A DEVELOPMENTAL DISABILITY OR FAM-  
18 ILIES WITH A FAMILY MEMBER WHO HAS A DEVELOPMENTAL DISABILITY.

19 (iii) FAMILIES WITH A FAMILY MEMBER WHO IS AN AT-RISK YOUTH.