

HOUSE BILL No. 4064

January 31, 2001, Introduced by Reps. Gilbert, Hager, Kooiman, Middaugh, Ruth Johnson and Van Woerkom and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 510 (MCL 206.510), as amended by 1995
PA 245.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 510. (1) "Income" means the sum of federal adjusted
2 gross income as defined in the internal revenue code plus all
3 income specifically excluded or exempt from the computations of
4 the federal adjusted gross income except that beginning with the
5 1988 tax year, a deduction for a carryback or carryover of a net
6 operating loss shall not exceed federal modified taxable income
7 as defined in section 172(b)(2) of the internal revenue code.
8 Also, a person who is enrolled in an accident or health insurance
9 plan may deduct from income the amount that person paid in

1 premiums in the tax year for that insurance plan for the person's
2 family. Income does not include any of the following:

3 (a) The first \$300.00 of gifts in cash or kind from nongov-
4 ernmental sources.

5 (b) The first \$300.00 received from awards, prizes, lottery,
6 bingo, or other gambling winnings.

7 (c) Surplus foods.

8 (d) Relief in kind supplied by a governmental agency.

9 (e) Payments or credits under this act.

10 (f) A governmental grant that has to be used by the claimant
11 for rehabilitation of the claimant's homestead.

12 (g) Stipends received by a person 60 years of age or older
13 who is acting as a foster grandparent under the foster grandpar-
14 ent program authorized pursuant to section 211 of part B of title
15 II of the domestic volunteer service act of 1973, Public
16 Law 93-113, 42 U.S.C. 5011, or who is acting as a senior compan-
17 ion pursuant to section 213 of part C of title II of the domestic
18 volunteer service act of 1973, Public Law 93-113, 42
19 U.S.C. 5013.

20 (h) Amounts deducted from monthly social security or rail-
21 road retirement benefits for medicare premiums.

22 (i) Contributions by an employer to life, accident, or
23 health insurance plans.

24 (j) Energy assistance grants and energy assistance tax
25 credits.

26 (K) MILITARY SERVICE CONNECTED DISABILITY COMPENSATION
27 BENEFITS.

1 (2) "Owner" means a natural person who owns or is purchasing
2 a homestead under a mortgage or land contract, who owns or is
3 purchasing a dwelling situated on the leased lands of another, or
4 who is a tenant-stockholder of a cooperative housing
5 corporation.