

HOUSE BILL No. 5432

November 1, 2001, Introduced by Reps. Kooiman, Woronchak, Pestka, Murphy, Voorhees, Drolet, Vander Veen, Toy, Van Woerkom, Kuipers, Hummel, Vear, DeWeese, Birkholz, Gosselin, Lipsey, Hart, Hansen, Newell, Cameron Brown, Stewart, Shackleton, Whitmer, Richardville, Meyer, Gilbert, Hager, Bovin, Phillips, Kolb, Thomas, Jelinek, Jansen, Schauer, Anderson and Bernero 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 AFTER DECEMBER 31,
2 2001 AND BEFORE JANUARY 1, 2024, A TAXPAYER MAY CLAIM A CREDIT
3 AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 10% OF THE AMOUNT OF
4 A QUALIFIED CONTRIBUTION DONATED BY THE TAXPAYER DURING THE TAX
5 YEAR TO A SCHOOL DISTRICT IF AT LEAST 50% OF THE ACTUAL PUPILS IN
6 MEMBERSHIP IN THAT SCHOOL DISTRICT MET THE INCOME ELIGIBILITY
7 CRITERIA FOR FREE BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY
8 PRECEDING STATE FISCAL YEAR, AS DETERMINED UNDER THE RICHARD
9 B. RUSSELL NATIONAL SCHOOL LUNCH ACT, CHAPTER 281, 60 STAT. 230,
10 42 U.S.C. 1751 TO 1753, 1755 TO 1762a, 1765 TO 1766a, 1769, 1769b
11 TO 1769c, AND 1769f TO 1769h, AND REPORTED TO THE DEPARTMENT OF

1 EDUCATION BY OCTOBER 31 OF THE IMMEDIATELY PRECEDING FISCAL YEAR
2 AND ADJUSTED NOT LATER THAN DECEMBER 31 OF THE IMMEDIATELY PRE-
3 CEDING FISCAL YEAR.

4 (2) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE CALCU-
5 LATED AFTER APPLICATION OF ALL OTHER CREDITS ALLOWED UNDER THIS
6 ACT.

7 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
8 YEAR AND ANY CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION
9 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT POR-
10 TION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE
11 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN
12 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER
13 OCCURS FIRST.

14 (4) AN AFFILIATED GROUP AS DEFINED IN THIS ACT, A CONTROLLED
15 GROUP OF CORPORATIONS AS DEFINED IN SECTION 1563 OF THE INTERNAL
16 REVENUE CODE AND FURTHER DESCRIBED IN 26 C.F.R. 1.414(b)-1 AND
17 1.414(c)-1 TO 1.414(c)-5, OR AN ENTITY UNDER COMMON CONTROL AS
18 DEFINED IN THE INTERNAL REVENUE CODE SHALL CONSOLIDATE THE CON-
19 TRIBUTIONS OF THE MEMBERS OF THE AFFILIATED GROUP, MEMBER CORPO-
20 RATIONS OF THE CONTROLLED GROUP, OR ENTITIES UNDER COMMON CONTROL
21 AND SHALL CLAIM ONLY 1 CREDIT UNDER THIS SECTION WHETHER OR NOT A
22 COMBINED OR CONSOLIDATED RETURN IS FILED.

23 (5) AS USED IN THIS SECTION:

24 (A) "IN-KIND CONTRIBUTION OR EXPENDITURE" MEANS A CONTRIBU-
25 TION OR EXPENDITURE OTHER THAN MONEY.

26 (B) "QUALIFIED CONTRIBUTION" MEANS A CASH OR IN-KIND
27 CONTRIBUTION OR EXPENDITURE USED BY A SCHOOL DISTRICT TO ACQUIRE,

1 FURNISH, EQUIP, PURCHASE, IMPROVE, ENLARGE, OPERATE, OR MAINTAIN
2 BUILDINGS, AUTOMOBILE PARKING LOTS OR STRUCTURES, RECREATIONAL
3 FACILITIES, STADIUMS, AND THE NECESSARY SITE OR SITES FOR ANY
4 SUCH BUILDINGS, STRUCTURES, OR FACILITIES TOGETHER WITH THE
5 APPURTENANT PROPERTIES AND FACILITIES NECESSARY OR CONVENIENT FOR
6 THE EFFECTIVE USE OF THE BUILDINGS, STRUCTURES, OR FACILITIES BY
7 THE SCHOOL DISTRICT.

8 (C) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT, LOCAL ACT
9 SCHOOL DISTRICT, OR INTERMEDIATE SCHOOL DISTRICT AS THOSE TERMS
10 ARE DEFINED IN THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO
11 380.1852, OR A PUBLIC SCHOOL ACADEMY OPERATED UNDER THE REVISED
12 SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380.1852.