

HOUSE BILL No. 4864

April 29, 2009, Introduced by Reps. Byrum, Opsommer, DeShazor, Cushingberry, Haugh, Horn, Denby and Dean and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 421 (MCL 208.1421).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 421. (1) A taxpayer that is not subject to the income tax
2 act of 1967, 1967 PA 281, MCL 206.1 to 206.532, may claim a credit
3 against the tax imposed by this act, subject to the applicable
4 limitations under this section, equal to 50% of the aggregate
5 amount of charitable contributions made by the taxpayer during the
6 tax year to all of the following:

7 (a) A public broadcast station as defined by 47 USC 397 that
8 is not affiliated with an institution of higher education.

9 (b) A public library.

10 (c) An institution of higher learning located in this state or

1 a nonprofit corporation, fund, foundation, trust, or association
2 organized and operated exclusively for the benefit of an
3 institution of higher learning.

4 (d) The Michigan colleges foundation.

5 (e) The ~~Michigan housing and community~~ development fund
6 created in section ~~3 of the Michigan housing and community~~
7 ~~development fund act, 2004 PA 479, MCL 125.2823-23 OF THE STATE~~
8 **HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL**
9 **125.1423.**

10 (F) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2008, AN
11 ORGANIZATION DESCRIBED IN SECTION 501(C) (3) OF THE INTERNAL REVENUE
12 CODE.

13 (2) The tax credit allowed under this section for a donation
14 under subsection (1)(c) is allowed only if the donee corporation,
15 fund, foundation, trust, or association is controlled or approved
16 and reviewed by the governing board of the institution of higher
17 learning that benefits from the charitable contributions. The
18 nonprofit corporation, fund, foundation, trust, or association
19 shall provide copies of its annual independently audited financial
20 statements to the auditor general of this state and chairpersons of
21 the appropriations committees of the senate and house of
22 representatives.

23 (3) The credit allowed under this section for any tax year
24 shall not exceed 5% of the tax liability of the taxpayer for that
25 tax year as determined without regard to this section or \$5,000.00,
26 whichever is less.

27 (4) If the amount of the credit allowed under this section

1 exceeds the tax liability of the taxpayer for the tax year, that
2 portion of the credit that exceeds the tax liability shall not be
3 refunded.

4 (5) FOR PURPOSES OF THIS SECTION AND FOR TAX YEARS THAT BEGIN
5 AFTER DECEMBER 31, 2008, TAXPAYER INCLUDES A PERSON SUBJECT TO THE
6 TAX IMPOSED UNDER CHAPTER 2A.

7 (6) ~~(5)~~—As used in this section:

8 (a) "Institution of higher learning" means an educational
9 institution located within this state meeting all of the following
10 requirements:

11 (i) Maintains a regular faculty and curriculum and has a
12 regularly enrolled body of students in attendance at the place
13 where its educational activities are carried on.

14 (ii) Regularly offers education above the twelfth grade.

15 (iii) Awards associate, bachelor's, master's, or doctoral
16 degrees or any combination of those degrees or higher education
17 credits acceptable for those degrees granted by other institutions
18 of higher learning.

19 (iv) Is recognized by the state board of education as an
20 institution of higher learning and appears as an institution of
21 higher learning in the annual publication of the department of
22 education entitled "the directory of institutions of higher
23 education".

24 (b) "Public library" means a public library as defined in
25 section 2 of **THE STATE AID TO PUBLIC LIBRARIES ACT**, 1977 PA 89, MCL
26 397.552.