

HOUSE BILL No. 4818

August 18, 2015, Introduced by Rep. Iden and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 435 (MCL 206.435), as amended by 2013 PA 92.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 435. (1) Except as otherwise provided under this section,
2 for the 2008 tax year and each tax year after the 2008 tax year, an
3 individual may designate in a manner and form as prescribed by the
4 department pursuant to subsection (2) on his or her annual return
5 that contributions of \$5.00, \$10.00, or more of his or her refund
6 be credited to any of the following:

7 (a) For the 2010 tax year and each tax year after the 2010 tax
8 year, the Michigan higher education assistance authority created in
9 section 1 of 1960 PA 77, MCL 390.951, for the children of veterans
10 tuition grant program created in the children of veterans tuition
11 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the

1 contributions designated to this subdivision shall be used for the
2 purpose of administering this section.

3 (b) For the 2010 tax year and each tax year after the 2010 tax
4 year, the children's trust fund created in 1982 PA 249, MCL 21.171
5 to 21.172.

6 (c) For the 2010 tax year and each tax year after the 2010 tax
7 year, the military family relief fund created in section 3 of the
8 military family relief fund act, 2004 PA 363, MCL 35.1213.

9 (d) The animal welfare fund created in the animal welfare fund
10 act, 2007 PA 132, MCL 287.991 to 287.997.

11 (e) For the 2009 tax year and each tax year after the 2009 tax
12 year, the ~~united way~~**UNITED WAY** fund created in section 3 of the
13 ~~united way~~**UNITED WAY** fund act, 2008 PA 527, MCL 333.26533.

14 ~~—— (f) For the 2011 tax year and each tax year after the 2011 tax~~
15 ~~year, the girl scouts of Michigan fund created in section 3 of the~~
16 ~~girl scouts of Michigan fund act, 2010 PA 347, MCL 206.923.~~

17 **(F)** ~~(g)~~ For the 2012 tax year and each tax year after the 2012
18 tax year, the ~~special~~**SPECIAL** Olympics Michigan fund created in
19 section 5 of the ~~special~~**SPECIAL** Olympics Michigan fund act, 2012
20 PA 155, MCL 206.945.

21 **(G)** ~~(h)~~ For the 2013 tax year and each tax year after the 2013
22 tax year, the ALS of Michigan ("Lou Gehrig's disease") fund created
23 in section 3 of the ALS of Michigan ("Lou Gehrig's disease") fund
24 act, **2013 PA 89, MCL 206.933.**

25 **(H)** ~~(i)~~ For the 2013 tax year and each tax year after the 2013
26 tax year, the Michigan Amber alert fund created in section 5 of the
27 Michigan Amber alert act, 2002 PA 712, MCL 28.755.

1 (I) ~~(j)~~ For the 2013 tax year and each tax year after the 2013
2 tax year, the Michigan Alzheimer's ~~association~~ **ASSOCIATION** fund
3 created in section 5 of the Michigan Alzheimer's ~~association~~
4 **ASSOCIATION** fund act, 2013 PA 88, MCL 206.965.

5 (J) **FOR THE 2016 TAX YEAR AND EACH TAX YEAR AFTER THE 2016 TAX**
6 **YEAR, THE MICHIGAN JUNIOR ACHIEVEMENT FUND CREATED IN SECTION 5 OF**
7 **THE MICHIGAN JUNIOR ACHIEVEMENT FUND ACT.**

8 (2) Subject to the limitations provided under this subsection,
9 the department shall establish and utilize a separate contributions
10 schedule that incorporates each contribution designation authorized
11 under this section that remains in effect and available for each
12 tax year and shall revise the state individual income tax return
13 form to include a separate line for the total contribution
14 designations made under the separate contributions schedule. The
15 contribution designations authorized under sections 437, 438, and
16 440 shall be incorporated into the contributions schedule for the
17 2010 tax year and shall remain on the schedule until the
18 contribution designation expires by law or is otherwise no longer
19 available as determined by the department pursuant to subsection
20 (3). A contribution designation that is enacted after November 1,
21 2007 shall be incorporated as soon as practical on the
22 contributions schedule, and each new contribution designation shall
23 be listed on the schedule in alphabetical order. The separate
24 contributions schedule required under this section shall include
25 not more than 10 separate contribution designations in any single
26 tax year.

27 (3) The department shall cease to include a contribution

1 designation on the contributions schedule if that contribution
2 designation fails to raise \$50,000.00 in any tax year for 2
3 consecutive tax years.

4 (4) If an individual's refund is not sufficient to make a
5 contribution under this section, the individual may designate a
6 contribution amount and that contribution amount shall be added to
7 the individual's tax liability for the tax year.

8 (5) Notwithstanding any other allocations or disbursements
9 required by this act, each year that a contribution designation
10 under this section is in effect, an amount equal to the cumulative
11 designation made under this section, less the amount appropriated
12 to the department to implement this section, shall be appropriated
13 from the general fund and distributed to the department responsible
14 for administering the appropriate fund to which the taxpayer
15 designated his or her contribution and shall be used solely for the
16 purposes of that fund.

17 (6) Money appropriated pursuant to an appropriations act as
18 required by law in accordance with this section to the department
19 responsible for administering each respective fund shall be in
20 addition to any other allocation or appropriation and is intended
21 to enhance appropriations from the general fund and not to replace
22 or supplant those appropriations.

23 (7) Notwithstanding any other provision of law, all of the
24 following apply:

25 (a) Money appropriated from the contributions made pursuant to
26 this section shall be distributed as provided in each respective
27 fund within 1 year and none of the money appropriated pursuant to

1 this section shall be used for the purpose of administering the
2 fund.

3 (b) If the fund to which the taxpayer designated his or her
4 contributions is to be used for donations to multiple organizations
5 located in this state, the department responsible for administering
6 that fund shall designate 1 local representative or agency of that
7 organization to administer and distribute those funds to other
8 similar organizations in this state as provided in each respective
9 act that created the fund.

10 (8) When considering whether to grant legislative approval to
11 amend the state individual income tax return to include additional
12 contribution designations on the contributions schedule, the
13 legislature shall consider all of the following:

14 (a) Whether the organization serves multiple regions
15 throughout this state.

16 (b) Whether the organization has demonstrated that it is
17 capable of raising more than \$50,000.00 in this state during the
18 tax year through means other than the income tax contribution
19 designation.

20 (c) Whether the organization expends 30% or more of its money
21 to cover administrative and fund-raising costs.

22 (d) Whether the organization had previously been included on
23 the contributions schedule within the last immediately preceding 3
24 years and was removed because it failed to raise a sufficient
25 amount of money as prescribed under subsection (3).

26 (e) Whether the organization receives any other state funds or
27 other type of financial assistance from this state.

1 (f) Whether the organization is associated with a nonprofit
2 charitable organization.

3 Enacting section 1. This amendatory act does not take effect
4 unless Senate Bill No. ____ or House Bill No. 4817 (request no.
5 03317'15 a) of the 98th Legislature is enacted into law.