

SENATE BILL NO. 132

March 06, 2025, Introduced by Senator SINGH and referred to Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 261.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 261. (1) For tax years beginning on and after January 1,**
2 **2025 and subject to the applicable limitations in this section, a**
3 **taxpayer may claim a credit against the tax imposed by this part**
4 **for the tax year in an amount equal to 50% of the amount the**
5 **taxpayer contributes during the tax year to an endowment fund of a**

1 community foundation. For a taxpayer other than a resident estate
2 or trust, the maximum credit allowed under this section must not
3 exceed \$100.00, or \$200.00 for a joint return. For a resident
4 estate or trust, the maximum credit allowed under this section must
5 not exceed 10% of the taxpayer's tax liability for the tax year
6 before claiming any credits allowed by this part or \$5,000.00,
7 whichever is less. To claim a credit under this section, the
8 taxpayer must have received a gift acknowledgment from the
9 community foundation indicating that the contribution was made to
10 an endowment fund of the community foundation.

11 (2) For a resident estate or trust, the amount used to
12 calculate the credit under this section must not have been deducted
13 in arriving at federal taxable income.

14 (3) If the amount of the credit allowed under this section
15 exceeds the tax liability of the taxpayer for the tax year, the
16 portion that exceeds the tax liability must not be refunded.

17 (4) On or before July 1 of each year, the department shall
18 report to the house committee on tax policy and the senate finance,
19 insurance, and consumer protection committee the total amount of
20 tax credits claimed under this section for the immediately
21 preceding tax year.

22 (5) As used in this section, "community foundation" means an
23 organization that applies for certification on or before May 15 of
24 the tax year for which the taxpayer is claiming the credit and that
25 the department certifies for that tax year as meeting the
26 requirements of a community foundation as provided in section 3 of
27 the Michigan community foundation act, 2017 PA 38, MCL 123.903.
28 However, for purposes of this section, the organization only needs
29 to have assets of at least \$1,000,000.00 to qualify for

1 certification by the department.

2 Enacting section 1. This amendatory act does not take effect
3 unless Senate Bill No. ____ (request no. S00396'25) or House Bill
4 No. ____ (request no. H00396'25) of the 103rd Legislature is
5 enacted into law.