

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 342**

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 435 (MCL 206.435), as amended by 2012 PA 154.

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

1 tuition grant program created in the children of veterans tuition
2 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the
3 contributions designated to this subdivision shall be used for the
4 purpose of administering this section.

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

8 (C) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX
9 YEAR, THE MILITARY FAMILY RELIEF FUND CREATED IN SECTION 3 OF THE
10 MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363, MCL 35.1213.

11 (D) ~~(e)~~—The animal welfare fund created in the animal welfare
12 fund act, 2007 PA 132, MCL 287.991 to 287.997.

13 (E) ~~(d)~~—For the 2009 tax year and each tax year after the 2009
14 tax year, the united way fund created in section 3 of the united
15 way fund act, 2008 PA 527, MCL 333.26533.

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

19 (G) ~~(f)~~—For the 2012 tax year and each tax year after the 2012
20 tax year, the special Olympics Michigan fund created in section 5
21 of the special Olympics Michigan fund act, 2012 PA 155, MCL
22 206.945.

23 (H) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX
24 YEAR, THE ALS OF MICHIGAN ("LOU GEHRIG'S DISEASE") FUND CREATED IN
25 SECTION 3 OF THE ALS OF MICHIGAN ("LOU GEHRIG'S DISEASE") FUND ACT.

26 (I) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX
27 YEAR, THE MICHIGAN AMBER ALERT FUND CREATED IN SECTION 5 OF THE

1 MICHIGAN AMBER ALERT ACT, 2002 PA 712, MCL 28.755.

2 (J) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX
3 YEAR, THE MICHIGAN ALZHEIMER'S ASSOCIATION FUND CREATED IN SECTION
4 5 OF THE MICHIGAN ALZHEIMER'S ASSOCIATION FUND ACT.

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

24 (3) The department shall cease to include a contribution
25 designation on the contributions schedule if that contribution
26 designation fails to raise \$50,000.00 in any tax year for 2
27 consecutive tax years.

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

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

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

20 (7) Notwithstanding any other provision of law, all of the
21 following apply:

22 (a) Money appropriated from the contributions made pursuant to
23 this section shall be distributed as provided in each respective
24 fund within 1 year and none of the money appropriated pursuant to
25 this section shall be used for the purpose of administering the
26 fund.

27 (b) If the fund to which the taxpayer designated his or her

1 contributions is to be used for donations to multiple organizations
2 located in this state, the department responsible for administering
3 that fund shall designate 1 local representative or agency of that
4 organization to administer and distribute those funds to other
5 similar organizations in this state as provided in each respective
6 act that created the fund.

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

11 (a) Whether the organization serves multiple regions
12 throughout this state.

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

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

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

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

25 (f) Whether the organization is associated with a nonprofit
26 charitable organization.