

SENATE BILL No. 533

November 4, 1987, Introduced by Senators SMITH, ARTHURHULTZ and
WELBORN and referred to the Committee on Finance.

A bill to amend section 260 of Act No. 281 of the Public
Acts of 1967, entitled
"Income tax act of 1967,"
as amended by Act No. 419 of the Public Acts of 1984, being sec-
tion 206.260 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 260 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 419 of the Public Acts of 1984, being
3 section 206.260 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 260. (1) A taxpayer may credit against the tax imposed
6 by this act for the taxable year, an amount, subject to the
7 applicable limitations provided by this section, equal to 50% of
8 the aggregate amount of charitable contributions made by the
9 taxpayer during the year to ~~this~~ ANY OF THE FOLLOWING:

1 (A) THIS state pursuant to THE FAXON-MCNAMEE ART IN PUBLIC
2 PLACES ACT, Act No. 105 of the Public Acts of 1980, being sec-
3 tions 18.71 to 18.81 of the Michigan Compiled Laws, of an artwork
4 created by the taxpayer, for display in a public place. ~~or to~~
5 the

6 (B) THE state art in public places fund created pursuant to
7 Act No. 105 of the Public Acts of 1980. ~~to municipalities~~

8 (C) A MUNICIPALITY in this state of an artwork created by
9 the personal effort of the taxpayer for display in a public
10 place. ~~to either~~

11 (D) EITHER a municipality of this state or a nonprofit cor-
12 poration affiliated with both a municipality and an art institute
13 located in the municipality, of money or artwork, whether or not
14 created by the personal effort of the taxpayer, if for the pur-
15 pose of benefiting an art institute located in that
16 municipality. ~~to public libraries, to a~~

17 (E) A PUBLIC LIBRARY.

18 (F) A public broadcast station ~~as~~ as defined by SECTION 397
19 OF SUBPART D OF TITLE III OF THE COMMUNICATIONS ACT OF 1934,
20 47 U.S.C. 397, ~~which~~ THAT is not affiliated with an institution
21 of higher education and ~~which~~ THAT is located within this
22 state. ~~to institutions~~

23 (G) A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT AS
24 DEFINED IN THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE PUBLIC
25 ACTS OF 1976, BEING SECTIONS 380.1 TO 380.1852 OF THE MICHIGAN
26 COMPILED LAWS.

1 (H) AN INSTITUTION of higher learning located within this
2 state. ~~to the~~

3 (I) THE Michigan colleges foundation. ~~or to a~~

4 (J) A nonprofit corporation, fund, foundation, trust, or
5 association organized and operated exclusively for the benefit of
6 institutions of higher learning located within this state OR FOR
7 THE BENEFIT OF SCHOOL DISTRICTS OR INTERMEDIATE SCHOOL DISTRICTS
8 AS DEFINED IN ACT NO. 451 OF THE PUBLIC ACTS OF 1976. ~~An insti-~~
9 ~~tution of higher learning which receives such contributions~~
10 ~~through a nonprofit corporation, fund, foundation, trust, or~~
11 ~~association organized and operated exclusively for the benefit of~~
12 ~~the institution of higher learning, shall make an annual report~~
13 ~~to the chairpersons of the house and senate appropriations com-~~
14 ~~mittees and the house taxation committee and senate finance com-~~
15 ~~mittee indicating in what manner these contributions were or are~~
16 ~~being used and any specific conditions under which a particular~~
17 ~~contribution was received and how the money or property from that~~
18 ~~contribution was or is being used. The report shall be due not~~
19 ~~later than February 1 for the immediately preceding calendar year~~
20 ~~and shall be issued in 1981 and 1982 only. The~~ A tax credit
21 ~~shall be~~ FOR A CONTRIBUTION DESCRIBED IN THIS SUBDIVISION IS
22 permitted only if the donee corporation, fund, foundation, trust,
23 or association is controlled or approved and reviewed by the gov-
24 erning ~~boards~~ BOARD of the ~~institutions~~ INSTITUTION OR
25 DISTRICT benefiting from the charitable ~~contributions~~
26 CONTRIBUTION. The nonprofit corporation, fund, foundation,
27 trust, or association shall provide copies of ~~their~~ ITS annual

1 independently audited financial statements to the auditor general
2 of this state and chairpersons of the senate and house appropria-
3 tions committees.

4 (2) ~~In the case of~~ FOR a taxpayer other than a resident
5 estate or trust, the amount allowable as a credit under this sec-
6 tion for ~~any~~ A taxable year shall not exceed 20% of the
7 taxpayer's tax liability for the TAXABLE year as determined with-
8 out regard to this section or ~~\$100.00~~ \$1,000.00, or ~~in the~~
9 ~~case of~~ FOR a husband and wife filing a joint return as provided
10 in section 311, ~~\$200.00~~ \$2,000.00, whichever is less.

11 (3) ~~In the case of~~ FOR a resident estate or trust, the
12 amount allowable as a credit under this section for ~~any~~ A tax-
13 able year shall not exceed ~~10%~~ 20% of the tax liability for the
14 year as determined without regard to this section ~~—~~ or
15 \$5,000.00, whichever is less.

16 (4) For the purpose of this section, "institution of higher
17 learning" means only an educational institution located within
18 this state meeting all of the following requirements:

19 (a) It maintains a regular faculty and curriculum and has a
20 regularly enrolled body of students in attendance at the place
21 where its educational activities are carried on.

22 (b) It regularly offers education above the twelfth grade.

23 (c) It awards associate, bachelors, masters, or doctoral
24 degrees or a combination of those degrees or higher education
25 credits acceptable for those degrees granted by other institu-
26 tions of higher learning.

1 (d) It is recognized by the state board of education as an
2 institution of higher learning and appears as such in the annual
3 publication of the department of education entitled "The
4 Directory of Institutions of Higher Education".

5 (5) "Public library" ~~or libraries~~ means ~~a public~~
6 ~~library~~ THAT TERM as defined in section 2 of THE STATE AID TO
7 PUBLIC LIBRARIES ACT, Act No. 89 of the Public Acts of 1977,
8 being section 397.552 of the Michigan Compiled Laws.

9 (6) As used in subsection (1), "contributions made by the
10 taxpayer" includes, but is not limited to, the fair market value
11 of artwork created by the personal effort of the taxpayer ~~which~~
12 THAT is donated to and accepted as a donation by a qualified
13 organization. The fair market value of a piece of artwork shall
14 be determined at the time of the donation by independent
15 appraisal. For purposes of this subsection and subsection (1),
16 "artwork" means an original, visual creation of quality executed
17 in any size or shape, in any media, using any kind or type of
18 materials.

19 (7) The sum of the credits allowed by section 257 and this
20 section shall not be in excess of the tax liability of the
21 taxpayer.