

HOUSE BILL No. 5424

January 30, 1990, Introduced by Reps. Runco, Bartnik, Kulchitsky, Palamara, Willis Bullard, Krause, Law, Munsell, Dolan, Porreca, Giese, Hoekman, Honigman, London, Oxender, Strand, Weeks, Miller, Dunaskiss, Bender, DeMars, Niederstadt, Mathieu, Bankes, Joe Young, Jr., Saunders, Hoffman, Rocca, Hart, Wartner, Muxlow and Jaye and referred to the Committee on Taxation.

A bill to amend section 510 of Act No. 281 of the Public Acts of 1967, entitled
"Income tax act of 1967,"
as amended by Act No. 261 of the Public Acts of 1988, being section 206.510 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 510 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 261 of the Public Acts of 1988, being
3 section 206.510 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 510. (1) "Income" means, EXCEPT AS OTHERWISE PROVIDED
6 IN THIS SUBSECTION, the sum of ~~federal~~ adjusted gross income as
7 defined in SECTION 62 OF the internal revenue code plus all
8 income specifically excluded or exempt from the computations of
9 the federal adjusted gross income, except that, beginning with

1 the 1988 tax year, a deduction for a carryback or carryover of a
2 net operating loss shall not exceed federal modified taxable
3 income as ~~defined~~ DESCRIBED in section 172(b)(2) of the inter-
4 nal revenue code. ~~The term~~ INCOME does not include the first
5 \$300.00 of gifts in cash or kind from nongovernmental sources or
6 the first \$300.00 received from awards, prizes, lottery, bingo,
7 or other gambling winnings. Income does not include surplus
8 foods, relief in kind supplied by a governmental agency, payments
9 or credits under this act, any governmental grant that has to be
10 used by the claimant for rehabilitation of the homestead, amounts
11 deducted from monthly social security or railroad retirement ben-
12 efits for medicare premiums, SOCIAL SECURITY BENEFITS AS DEFINED
13 IN SECTION 86 OF THE INTERNAL REVENUE CODE, or contributions by
14 an employer to life, accident, or health insurance plans. Income
15 does not include energy assistance grants and energy assistance
16 tax credits. Beginning with the 1977 tax year and for tax years
17 after 1977, IN CALCULATING INCOME UNDER THIS SUBSECTION, a person
18 who is enrolled in an accident or health insurance plan may
19 deduct from income the amount the person ~~has~~ paid in premiums
20 in the tax year for that insurance plan for the person's family.

21 (2) "Owner" means a natural person who owns or is purchasing
22 a homestead under a mortgage or land contract, who owns or is
23 purchasing a dwelling situated on the leased lands of another, or
24 who is a tenant-stockholder of a cooperative housing
25 corporation.