

# HOUSE BILL No. 4535

March 13, 1991, Introduced by Reps. Olshove, Wallace, Byrum, Dobronski, Webb, Weeks, Harder, Yokich, Baade, Palamara, Rocca, DeMars, Profit, Joe Young, Jr., Hertel, Ciaramitaro and Wozniak and referred to the Committee on Military and Veterans' Affairs.

A bill to amend section 32 of chapter 2 of Act No. 284 of the Public Acts of 1964, entitled

"City income tax act,"

being section 141.632 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 32 of chapter 2 of Act No. 284 of the  
2 Public Acts of 1964, being section 141.632 of the Michigan  
3 Compiled Laws, is amended to read as follows:

### 4 CHAPTER 2

5 Sec. 32. The following ~~payments and benefits received by~~  
6 ~~any person~~ are not subject to the tax UNDER THIS ORDINANCE:

7 (a) ~~Gifts and bequests~~ A GIFT OR BEQUEST.

8 (b) Proceeds of insurance ~~, annuities, pensions and~~ OR AN  
9 ANNUITY, PENSION, OR retirement benefits. ~~Amounts~~ AN AMOUNT  
10 received for A personal ~~injuries~~ INJURY, sickness, or

1 disability ~~are~~ IS excluded from taxable income ~~only~~ to the  
2 extent ~~provided~~ EXCLUDED FROM INCOME by the federal internal  
3 revenue code.

4 (c) Welfare relief, unemployment benefits including supple-  
5 mental unemployment benefits, ~~and workmen's~~ OR WORKER'S compen-  
6 sation or A similar ~~payments from whatever source derived~~  
7 PAYMENT.

8 (d) ~~Amounts~~ AN AMOUNT received by A charitable, religious,  
9 educational, ~~and~~ OR other similar nonprofit ~~organizations~~  
10 ~~which are~~ ORGANIZATION THAT IS exempt from taxation under the  
11 federal internal revenue code.

12 (e) ~~Amounts~~ AN AMOUNT received by A supplemental unemploy-  
13 ment benefit ~~trusts~~ TRUST or pension, profit sharing, ~~and~~ OR  
14 stock bonus ~~trusts~~ TRUST qualified and exempt under the federal  
15 internal revenue code.

16 (f) Interest from ~~obligations~~ AN OBLIGATION of the United  
17 States, ~~the states~~ A STATE, or subordinate ~~units~~ UNIT of gov-  
18 ernment of ~~the states and gains or losses~~ A STATE OR A GAIN OR  
19 LOSS on the ~~sales~~ SALE of ~~obligations~~ AN OBLIGATION of the  
20 United States.

21 (g) Net profits of A financial ~~institutions and~~  
22 INSTITUTION OR insurance ~~companies~~ COMPANY.

23 (h) ~~Amounts~~ AN AMOUNT paid to an employee as reimbursement  
24 for expenses necessarily and actually incurred by him OR HER in  
25 the actual performance of his OR HER services and deductible as  
26 such by the employer.

1        (i) Compensation received for service in the armed forces of  
2 the United States OR OTHER COMPENSATION RECEIVED BY A TAXPAYER ON  
3 ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES IN AN AREA  
4 DESIGNATED AS A COMBAT ZONE BY THE PRESIDENT OF THE UNITED  
5 STATES.