

HOUSE BILL No. 5261

October 14, 1991, Introduced by Reps. Harder, Leland, DeMars, Dalman, Perry Bullard, Bankes, Jonker, Goss, Varga, Barns, Dobronski, Wallace, Olshove and Baade and referred to the Committee on Taxation.

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. 153 of the Public Acts of 1988, being section 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. 153 of the Public Acts of 1988, 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 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.

5 (b) The state art in public places fund created pursuant to
6 THE FAXON-MCNAMEE ART IN PUBLIC PLACES ACT, Act No. 105 of the
7 Public Acts of 1980.

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.

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.

17 (e) A public library.

18 (f) A public broadcast station as defined by section 397 of
19 subpart ~~d~~ D of PART IV OF title III of the communications act
20 of 1934, CHAPTER 652, 48 STAT. 1064, 47 U.S.C. 397, that is not
21 affiliated with an institution of higher education and that is
22 located within this state.

23 (g) An institution of higher learning located within this
24 state.

25 (h) The Michigan colleges foundation.

26 (i) The state museum.

1 (j) The department of state for the purpose of preservation
2 of the state archives.

3 (k) A nonprofit corporation, fund, foundation, trust, or
4 association organized and operated exclusively for the benefit of
5 institutions of higher learning located within this state. A tax
6 credit for a contribution described in this subdivision is per-
7 mitted only if the donee corporation, fund, foundation, trust, or
8 association is controlled or approved and reviewed by the govern-
9 ing board of the institution benefiting from the charitable
10 contribution. The nonprofit corporation, fund, foundation,
11 trust, or association shall provide copies of its annual indepen-
12 dently audited financial statements to the auditor general of
13 this state and chairpersons of the senate and house appropria-
14 tions committees.

15 (l) AN ORGANIZATION THAT QUALIFIES FOR EXEMPTION FROM FED-
16 ERAL INCOME TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REV-
17 ENUE CODE BUT DOES NOT QUALIFY FOR A CREDIT UNDER SECTION 261.

18 (2) For a taxpayer other than a resident estate or trust,
19 the amount allowable as a credit under this section for a taxable
20 year shall not exceed \$100.00, or for a husband and wife filing a
21 joint return as provided in section 311, \$200.00.

22 (3) For a resident estate or trust, the amount allowable as
23 a credit under this section for a taxable year shall not exceed
24 10% of the tax liability for the year as determined without
25 regard to this section or \$5,000.00, whichever is less.

26 (4) ~~For the purpose of~~ AS USED IN this section: ~~7~~
27 ~~"institution"~~

1 (A) "INSTITUTION of higher learning" means only an
2 educational institution located within this state meeting all of
3 the following requirements:

4 (i) ~~(a)~~ It maintains a regular faculty and curriculum and
5 has a regularly enrolled body of students in attendance at the
6 place where its educational activities are carried on.

7 (ii) ~~(b)~~ It regularly offers education above the twelfth
8 grade.

9 (iii) ~~(c)~~ It awards associate, bachelors, masters, or doc-
10 toral degrees or a combination of those degrees or higher educa-
11 tion credits acceptable for those degrees granted by other insti-
12 tutions of higher learning.

13 (iv) ~~(d)~~ It is recognized by the state board of education
14 as an institution of higher learning and appears as such in the
15 annual publication of the department of education entitled "The
16 Directory of Institutions of Higher Education".

17 (B) ~~(5)~~ "Public library" means that term as defined in
18 section 2 of the state aid to public libraries act, Act No. 89 of
19 the Public Acts of 1977, being section 397.552 of the Michigan
20 Compiled Laws.

21 (C) ~~(6) As used in subsection (1), "contributions"~~
22 "CONTRIBUTIONS made by the taxpayer" includes, but is not limited
23 to, the fair market value of artwork created by the personal
24 effort of the taxpayer that is donated to and accepted as a dona-
25 tion by a qualified organization. The fair market value of a
26 piece of artwork shall be determined at the time of the donation

1 by independent appraisal. ~~For purposes of this subsection and~~
2 ~~subsection (1), "artwork"~~

3 (D) "ARTWORK" means an original, visual creation of quality
4 executed in any size or shape, in any media, using any kind or
5 type of materials.

6 (5) ~~(7)~~ The sum of the credits allowed by section 257 and
7 this section shall not be in excess of the tax liability of the
8 taxpayer.