

# SENATE BILL No. 711

February 6, 1992, Introduced by Senator N. SMITH and referred to the Committee on Finance.

A bill to amend section 5 of Act No. 339 of the Public Acts of 1927, entitled

"An act to authorize the establishment of a system of retiring allowances for employes of public libraries now existing or which may hereafter be established in incorporated cities of 250,000 population or more,"

being section 38.705 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 5 of Act No. 339 of the Public Acts of  
2 1927, being section 38.705 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4       Sec. 5. (1) ~~When~~ EXCEPT AS PROVIDED IN SUBSECTION (2), IF  
5 a system of retiring allowances is adopted under ~~the provisions~~  
6 ~~of~~ this act, the reserve fund ~~thereby~~ provided shall be free  
7 from all state, county, township, city, village, and school

1 district taxes and the annuities payable to the members of the  
2 staff shall ~~likewise~~ be free from all such taxes.

3       (2) AN ANNUITY PAYABLE TO A MEMBER OF THE STAFF UNDER THIS  
4 ACT IS SUBJECT TO TAXATION UNDER THE INCOME TAX ACT OF 1967, ACT  
5 NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO  
6 206.532 OF THE MICHIGAN COMPILED LAWS.