

Act No. 290
Public Acts of 1994
Approved by the Governor
July 13, 1994
Filed with the Secretary of State
July 13, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senators Pridma Ehlers Carl Geake Emmons Gast Gougeon Dunaskiss and Arthurhultz

ENROLLED SENATE BILL No. 926

AN ACT to amend Act No 281 of the Public Acts of 1967 entitled An act to meet deficiencies in state funds by providing for the imposition levy computation collection assessment and enforcement by lien and otherwise of taxes on or measured by net income to prescribe the manner and time of making reports and paying the taxes and the functions of public officers and others as to the taxes to permit the inspection of the records of taxpayers to provide for interest and penalties on unpaid taxes to provide exemptions credits and refunds of the taxes to prescribe penalties for the violation of this act to provide an appropriation and to repeal certain acts and parts of acts as amended being sections 206 1 to 206 532 of the Michigan Compiled Laws by adding section 264

The People of the State of Michigan enact

Section 1 Act No 281 of the Public Acts of 1967 as amended being sections 206 1 to 206 532 of the Michigan Compiled Laws is amended by adding section 264 to read as follows

Sec 264 (1) For the 1994 tax year and each tax year after 1994 a taxpayer other than a resident estate or trust may credit against the tax imposed by this act an amount equal to 3 3% of the amount contributed in the tax year by the taxpayer or on behalf of the taxpayer to a medical care savings account to the extent that the contribution is accepted by an account administrator pursuant to the medical care savings account act

(2) The credit under this section shall not be taken unless the taxpayer who establishes a medical care savings account or on whose behalf a medical care savings account is established is not covered by any health coverage policy certificate or contract or self funded plan other than a qualified higher deductible health plan purchased pursuant to the medical care savings account act

(3) If the taxpayer files a joint return each joint filer may take the credit under this section if he or she meets the restriction under subsection (2) If the taxpayer is married and files a single return or is not married the taxpayer may take the credit under this section if he or she meets the restriction under subsection (2)

(4) A taxpayer shall deduct from the amount of a contribution used to calculate the credit under this section the following amounts

- (a) Any amount that the taxpayer withdraws in the tax year for a purpose other than 1 of the following
- (i) A purpose for which those funds may be utilized as described in section 4(3) of the medical care savings account act
- (ii) A distribution or transfer pursuant to section 5(3) or (5) of the medical care savings act
- (b) Any amount that the taxpayer withdraws in the tax year other than an amount pursuant to subdivision (a)(i) or (ii) at any time other than the last business day of the account administrator's business year

(5) If the amount of the credit exceeds the tax liability of the taxpayer for the tax year that portion of the credit that exceeds the tax liability shall not be refunded

(6) The credit under this section shall not be taken by a taxpayer in the tax year in which a federal income tax deduction or credit becomes available for contributions to a medical care savings account or any similar federal program or in any subsequent year

(7) As used in this section account administrator and medical care savings account mean those terms as defined in the medical care savings account act

Section 2 This amendatory act shall not take effect unless House Bill No 4878 of the 87th Legislature is enacted into law

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor