

Act No. 244
Public Acts of 1995
Approved by the Governor
December 25, 1995
Filed with the Secretary of State
December 27, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Senators Emmons, Gougeon, McManus, North and Shugars

ENROLLED SENATE BILL No. 541

AN ACT to amend section 510 of 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 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:

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

Sec. 510. (1) "Income" means the sum of federal adjusted gross income as defined in the internal revenue code plus all income specifically excluded or exempt from the computations of the federal adjusted gross income except that beginning with the 1988 tax year, a deduction for a carryback or carryover of a net operating loss shall not exceed federal modified taxable income as defined in section 172(b)(2) of the internal revenue code. Income does not include any of the following:

- (a) The first \$300.00 of gifts in cash or kind from nongovernmental sources.
- (b) The first \$300.00 received from awards, prizes, lottery, bingo, or other gambling winnings.
- (c) Surplus foods.
- (d) Relief in kind supplied by a governmental agency.
- (e) Payments or credits under this act.
- (f) A governmental grant that has to be used by the claimant for rehabilitation of the claimant's homestead.
- (g) Stipends received by a person 60 years of age or older who is acting as a foster grandparent under the foster grandparent program authorized pursuant to section 211 of part B of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 U.S.C. 5011, or who is acting as a senior companion pursuant to section 213 of part C of title II of the domestic volunteer service act of 1973, Public Law 93-113, 42 U.S.C. 5013.
- (h) Amounts deducted from monthly social security or railroad retirement benefits for medicare premiums.
- (i) Contributions by an employer to life, accident, or health insurance plans.
- (j) Energy assistance grants and energy assistance tax credits.

(k) The amount a person who is enrolled in an accident or health insurance plan paid in premiums in the tax year for that insurance plan for the person's family.

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

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.