



HOUSE BILL No. 5306

October 25, 1995, Introduced by Rep. Bodem and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 439, 471, and 522 of Act No. 281 of the Public Acts of 1967, entitled

"Income tax act of 1967,"

section 439 as amended by Act No. 162 of the Public Acts of 1993, section 471 as amended by Act No. 119 of the Public Acts of 1994, and section 522 as amended by Act No. 328 of the Public Acts of 1993, being sections 206.439, 206.471, and 206.522 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 439, 471, and 522 of Act No. 281 of the
2 Public Acts of 1967, section 439 as amended by Act No. 162 of the
3 Public Acts of 1993, section 471 as amended by Act No. 119 of the
4 Public Acts of 1994, and section 522 as amended by Act No. 328 of
5 the Public Acts of 1993, being sections 206.439, 206.471, and

1 206.522 of the Michigan Compiled Laws, are amended to read as
2 follows:

3 Sec. 439. (1) Until the state treasurer certifies that the
4 assets in the nongame fish and wildlife trust fund created in the
5 nongame fish and wildlife trust fund act exceed \$6,000,000.00, a
6 taxpayer who is entitled to a tax refund under this act suffi-
7 cient to make a designation under this section may designate that
8 \$2.00 or more of his or her refund be credited to the state of
9 Michigan nongame fish and wildlife trust fund created in ~~the~~
10 ~~nongame fish and wildlife trust fund act, Act No. 285 of the~~
11 ~~Public Acts of 1986, being sections 299.151 to 299.161~~ PART 439
12 (NONGAME FISH AND WILDLIFE TRUST FUND) OF THE NATURAL RESOURCES
13 AND ENVIRONMENTAL PROTECTION ACT, ACT NO. 451 OF THE PUBLIC ACTS
14 OF 1994, BEING SECTIONS 324.43901 TO 324.43907 of the Michigan
15 Compiled Laws.

16 (2) The tax designation authorized in this section shall be
17 clearly and unambiguously printed on the first page of all state
18 individual income tax return forms, if practicable.

19 (3) Notwithstanding the other allocations and disbursements
20 required by this act, an amount equal to the cumulative designa-
21 tions made under this section, less the amount appropriated to
22 the department of treasury for the purpose of implementing this
23 section, shall be deposited in the state of Michigan nongame fish
24 and wildlife trust fund and shall be appropriated solely for the
25 purposes of the fund.

26 Sec. 471. (1) The tax imposed by this act shall be
27 administered by the department. The department shall prescribe

1 forms for use by taxpayers and shall promulgate rules for all of
2 the following:

3 (a) The maintenance by taxpayers of records, books, and
4 accounts.

5 (b) The computation of the tax.

6 (c) The manner and time of changing or electing accounting
7 methods and of exercising the accounting method options contained
8 in this act.

9 (d) The making of returns, the payment of tax due, and the
10 ascertainment, assessment, and collection of the tax.

11 (2) The rules shall follow the rulings of the United States
12 internal revenue service with respect to the federal income tax
13 when those rulings are not inconsistent with this act, and the
14 department may adopt as a part of the rules any portions of the
15 internal revenue code OF 1986 or rulings, in whole or in part.

16 (3) A summary of state expenditures and revenues by major
17 category, in dollar amounts and percentage of total, for the most
18 recent state fiscal year that the information is available, shall
19 be printed in the instruction booklet accompanying each state
20 income tax return.

21 (4) Each return shall contain a space for the taxpayer to
22 indicate the school district in which the taxpayer resides.

23 (5) The department may provide information in the instruc-
24 tion booklet about the purchase of an annual state park motor
25 vehicle permit pursuant to ~~Act No. 149 of the Public Acts of~~
26 ~~1960, being sections 318.301 to 318.316~~ PART 741 (STATE PARKS
27 SYSTEM) OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1 ACT, ACT NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SECTIONS
2 324.74101 TO 324.74125 of the Michigan Compiled Laws.

3 Sec. 522. (1) The amount of a claim made pursuant to this
4 chapter shall be determined as follows:

5 (a) A claimant is entitled to a credit against the state
6 income tax liability equal to 60% of the amount by which the
7 property taxes on the homestead, or the credit for rental of the
8 homestead for the taxable year, exceeds 3.5% of the claimant's
9 household income for that taxable year.

10 (b) A claimant who is a senior citizen or a paraplegic or
11 quadriplegic is entitled to a credit against the state income tax
12 liability for the amount by which the property taxes on the home-
13 stead, the credit for rental of the homestead, or a service
14 charge in lieu of ad valorem taxes as provided by section 15a of
15 the state housing development authority act of 1966, Act No. 346
16 of the Public Acts of 1966, ~~as amended,~~ being section 125.1415a
17 of the Michigan Compiled Laws, for the taxable year exceeds the
18 percentage of the claimant's household income for that taxable
19 year computed as follows:

20

21 Household income	Percentage
22 Not over \$3,000.00	.0%
23 Over \$3,000.00 but not over \$4,000.00	1.0%
24 Over \$4,000.00 but not over \$5,000.00	2.0%
25 Over \$5,000.00 but not over \$6,000.00	3.0%
26 Over \$6,000.00	3.5%

1 (c) A claimant who is totally and permanently disabled is
2 entitled to a credit against the state income tax liability equal
3 to 60% of the amount by which the property taxes on the home-
4 stead, or the credit for rental of the homestead or for a service
5 charge in lieu of ad valorem taxes as provided in section 15a of
6 ~~the state housing development authority act of 1966,~~ Act
7 No. 346 of the Public Acts of 1966, for the taxable year, exceeds
8 the percentage of the claimant's household income for that tax-
9 able year based on the schedule in subdivision (b).

10 (d) A claimant who is an eligible serviceperson, eligible
11 veteran, or eligible widow or widower is entitled to a credit
12 against the state income tax liability for a percentage of the
13 property taxes on the homestead for the taxable year not in
14 excess of 100% determined as follows:

15 (i) Divide the state equalized value allowance specified in
16 section 506 by the state equalized value of the homestead or, if
17 the eligible serviceperson, eligible veteran, or eligible widow
18 or widower leases or rents a homestead, divide 17% of the total
19 annual rent paid for tax years before the 1994 tax year, or 20%
20 of the total annual rent paid for tax years after the 1993 tax
21 year on the property by the property tax rate on the property.

22 (ii) Multiply the property taxes on the homestead by the
23 percentage computed in subparagraph (i).

24 (e) A claimant who is blind is entitled to a credit against
25 the state income tax liability for a percentage of the property
26 taxes on the homestead for the taxable year determined as
27 follows:

1 (i) If the state equalized value of the homestead is
2 \$3,500.00 or less, 100% of the property taxes.

3 (ii) If the state equalized value of the homestead is more
4 than \$3,500.00, the percentage that \$3,500.00 bears to the state
5 equalized value of the homestead.

6 (2) A person who is qualified to make a claim under more
7 than 1 classification shall elect the classification under which
8 the claim is made.

9 (3) Only 1 claimant per household for a tax year is entitled
10 to the credit, unless both the husband and wife filing a joint
11 return are blind, then each shall be considered a claimant.

12 (4) As used in this section, "totally and permanently
13 disabled" means disability as defined in section 216 of title II
14 of the social security act, ~~chapter 531, 49 Stat. 620,~~ 42
15 U.S.C. 416.

16 (5) A senior citizen who has a total household income for
17 the taxable year of \$6,000.00 or less and who for 1973 received a
18 senior citizen homestead exemption under former section 7c of the
19 general property tax act, Act No. 206 of the Public Acts of 1893,
20 may compute the credit against the state income tax liability for
21 a percentage of the property taxes on the homestead for the tax-
22 able year determined as follows:

23 (a) If the state equalized value of the homestead is
24 \$2,500.00 or less, 100% of the property taxes.

25 (b) If the state equalized value of the homestead is more
26 than \$2,500.00, the percentage that \$2,500.00 bears to the state
27 equalized value of the homestead.

1 (6) For a return of less than 12 months, the claim shall be
2 reduced proportionately.

3 (7) The commissioner may prescribe tables that may be used
4 to determine the amount of the claim.

5 (8) The total credit allowed in this section for each year
6 after December 31, 1975 shall not exceed \$1,200.00 per year.

7 (9) The total credit allowable under this act and ~~the farm~~
8 ~~land and open space preservation act, Act No. 116 of the Public~~
9 ~~Acts of 1974, as amended, being sections 554.701 to 554.719~~ PART
10 361 (FARMLAND AND OPEN SPACE PRESERVATION) OF THE NATURAL
11 RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT NO. 451 OF THE
12 PUBLIC ACTS OF 1994, BEING SECTIONS 324.36101 TO 324.36117 of the
13 Michigan Compiled Laws, shall not exceed the total property tax
14 due and payable by the claimant in that year. The amount by
15 which the credit exceeds the property tax due and payable shall
16 be deducted from the credit claimed under ~~the farmland and open~~
17 ~~space preservation act, Act No. 116 of the Public Acts of 1974,~~
18 ~~as amended~~ PART 361 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994.