



SENATE BILL No. 541

May 18, 1995, Introduced by Senators EMMONS, GOUGEON,
MC MANUS, NORTH and SHUGARS and referred to the
Committee on Finance.

A bill to amend section 510 of Act No. 281 of the Public
Acts of 1967, entitled
"Income tax act of 1967,"
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:

1 Section 1. Section 510 of Act No. 281 of the Public Acts of
2 1967, as amended by Act No. 261 of the Public Acts of 1988, being
3 section 206.510 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 510. (1) "Income" means the sum of federal adjusted
6 gross income as defined in the internal revenue code plus all
7 income specifically excluded or exempt from the computations of
8 the federal adjusted gross income except that beginning with the
9 1988 tax year, a deduction for a carryback or carryover of a net

1 operating loss shall not exceed federal modified taxable income
2 as defined in section 172(b)(2) of the internal revenue code.
3 The term does not include the first \$300.00 of gifts in cash or
4 kind from nongovernmental sources or the first \$300.00 received
5 from awards, prizes, lottery, bingo, or other gambling winnings.
6 Income does not include surplus foods, relief in kind supplied by
7 a governmental agency, payments or credits under this act, ~~any~~
8 A governmental grant that has to be used by the claimant for
9 rehabilitation of the homestead, PAYMENTS MADE TO A PERSON 60
10 YEARS OF AGE OR OLDER WHO IS ACTING AS A FOSTER GRANDPARENT UNDER
11 THE FOSTER GRANDPARENT PROGRAM AUTHORIZED PURSUANT TO SECTION 211
12 OF PART B OF TITLE II OF THE DOMESTIC VOLUNTEER SERVICE ACT OF
13 1973, PUBLIC LAW 93-113, 42 U.S.C. 5011, amounts deducted from
14 monthly social security or railroad retirement benefits for medi-
15 care premiums, or contributions by an employer to life, accident,
16 or health insurance plans. Income does not include energy
17 assistance grants and energy assistance tax credits. Beginning
18 with the 1977 tax year and for tax years after 1977, a person who
19 is enrolled in an accident or health insurance plan may deduct
20 from income the amount the person has paid in premiums in the tax
21 year for that insurance plan for the person's family.

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