



SENATE BILL No. 1005

May 2, 1996, Introduced by Senators YOUNG, HART, CONROY, VAUGHN, O'BRIEN, STALLINGS, V. SMITH, CHERRY, BYRUM, KOIVISTO, DINGELL, A. SMITH, BERRYMAN, MILLER, PETERS and DE BEAUSSAERT and referred to the Committee on Finance.

A bill to amend Act No. 281 of the Public Acts of 1967, entitled

"Income tax act of 1967,"

as amended, being sections 206.1 to 206.532 of the Michigan Compiled Laws, by adding section 266.

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 266 to read as follows:

SEC. 266. (1) FOR THE 1996 TAX YEAR AND EACH TAX YEAR AFTER 1996, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO THE NUMBER OF VOLUNTEER HOURS, NOT TO EXCEED 100 HOURS, CONTRIBUTED TO QUALIFIED ORGANIZATIONS DURING THE TAX YEAR MULTIPLIED BY THE MINIMUM WAGE AS DETERMINED UNDER SECTION 4

1 OF THE MINIMUM WAGE LAW OF 1964, ACT NO. 154 OF THE PUBLIC ACTS
2 OF 1964, BEING SECTION 408.384 OF THE MICHIGAN COMPILED LAWS.

3 (2) TO QUALIFY FOR THE DEDUCTION UNDER THIS SUBDIVISION, THE
4 TAXPAYER SHALL ATTACH TO HIS OR HER ANNUAL RETURN UNDER THIS ACT
5 A LIST THAT INCLUDES ALL OF THE FOLLOWING:

6 (A) THE NAME OF EACH QUALIFIED ORGANIZATION FOR WHICH THE
7 TAXPAYER VOLUNTEERED.

8 (B) THE NUMBER OF VOLUNTEER HOURS FOR EACH QUALIFIED
9 ORGANIZATION.

10 (C) THE TAXPAYER OR OTHER FEDERAL IDENTIFICATION NUMBER OF
11 EACH QUALIFIED ORGANIZATION.

12 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
13 TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION OF THE
14 CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED TO THE
15 TAXPAYER.

16 (4) AS USED IN THIS SUBDIVISION:

17 (A) "QUALIFIED ORGANIZATIONS" MEANS ALL OF THE FOLLOWING:

18 (i) AN ORGANIZATION EXEMPT FROM TAXATION UNDER SECTION
19 501(c)(3) OF THE INTERNAL REVENUE CODE.

20 (ii) A PUBLIC OR PRIVATE K-12 SCHOOL OR SCHOOL DISTRICT IN
21 THIS STATE.

22 (iii) A PUBLIC OR PRIVATE COLLEGE, UNIVERSITY, OR COMMUNITY
23 COLLEGE IN THIS STATE.

24 (B) "VOLUNTEER HOURS" MEANS HOURS FOR WHICH THE TAXPAYER
25 RECEIVES NO COMPENSATION IN CASH, SERVICES, OR OTHER
26 REMUNERATION.