

House Bill 4667
Sponsor: Rep. Nancy Cassis
Committee: Tax Policy

Complete to 4-24-01

A SUMMARY OF HOUSE BILL 4667 AS INTRODUCED 4-24-01

The bill would amend Section 260 of the Income Tax Act to allow a taxpayer to claim a credit for a charitable contribution made to a historical museum or to a historical society acting as a governing authority of a historical museum. Contributions could be of money or a historical artifact and would have to be made for the purpose of benefiting a historical museum. The bill would apply to tax years beginning after December 31, 2000. Under Section 260, a taxpayer can take a credit for up to 50 percent of the aggregate donations made, with a maximum credit of \$100 for a single return and \$200 for a joint return.

The historical society would have to be a nonprofit corporation exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code. The term "historical museum" would refer to a permanent, nonprofit institution that 1) was open to the public and administered in the public interest; and 2) collected, conserved, preserved, researched, and interpreted material evidence of history for the purposes of study, education, and enjoyment.

The fair market value of a historical artifact would be determined at the time of the donation by independent appraisal or by the recipient. (Currently, the fair market value of donated artwork is determined at the time of donation by independent appraisal. The bill would also allow the value of donated artwork to be set by the recipient.)

[Under Section 260 of the Income Tax Act, a taxpayer can claim a "public contribution" credit for up to 50 percent of the donations made to certain specified kinds of institutions and local governments. These include Michigan public broadcasting stations, Michigan colleges and universities, public libraries, the state archives, the state history museum, certain art institutes, and the State Art in Public Places Fund. The maximum credit that can be taken under Section 260 for all such contributions is \$100 for a single return and \$200 for a joint return. For a resident estate or trust, the maximum is 10 percent of tax liability or \$5,000, whichever is less. The credit is non-refundable; that is, it cannot exceed a taxpayer's tax liability.]

MCL 206.260

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