

SUBSTITUTE FOR
HOUSE BILL NO. 5022

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.532) by adding section 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 272. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2006, A TAXPAYER WHO IS NOT AN ACCOUNT HOLDER MAY CLAIM A CREDIT
3 AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 75% OF THE
4 CONTRIBUTIONS MADE IN THE TAX YEAR BY THE TAXPAYER TO THE RESERVE
5 FUND OF A FIDUCIARY ORGANIZATION PURSUANT TO THE INDIVIDUAL OR
6 FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT.

7 (2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
8 EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR, THAT
9 PORTION OF THE CREDIT THAT EXCEEDS THE TAX LIABILITY SHALL NOT BE

1 REFUNDED.

2 (3) THE CREDITS UNDER THIS SECTION AND SECTION 36E OF THE
3 SINGLE BUSINESS TAX ACT, 1975 PA 228, MCL 208.36E, SHALL NOT EXCEED
4 AN ANNUAL CUMULATIVE MAXIMUM AMOUNT OF \$1,000,000.00. THE
5 DETERMINATION OF THE MAXIMUM ALLOWED UNDER THIS SUBSECTION SHALL BE
6 MADE AS PROVIDED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT
7 PROGRAM ACT.

8 (4) AS USED IN THIS SECTION, "ACCOUNT HOLDER", "FIDUCIARY
9 ORGANIZATION", "INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT", AND
10 "RESERVE FUND" MEAN THOSE TERMS AS DEFINED IN THE INDIVIDUAL OR
11 FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT.

12 Enacting section 1. This amendatory act does not take effect
13 unless House Bill No. 5027 of the 93rd Legislature is enacted into
14 law.