

HOUSE BILL No. 4120

January 24, 2007, Introduced by Reps. Bauer, Opsommer, Meadows, Donigan, Young, Valentine, Alma Smith, Hammel, Dean, Meisner, Miller, Bieda, Clack, Virgil Smith, Accavitti and Cheeks and referred to the Committee on Tax Policy.

A bill to amend 1964 PA 284, entitled
"City income tax act,"
(MCL 141.501 to 141.787) by adding section 10 to chapter 1 and
section 36 to chapter 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 1

SEC. 10. (1) ON AND AFTER JANUARY 1, 2007, A CITY THAT IMPOSES
A CITY INCOME TAX PURSUANT TO THIS ACT MAY ADOPT AN AMENDMENT TO
ITS CITY INCOME TAX ORDINANCE TO INCLUDE SECTION 36 OF CHAPTER 2 TO
ALLOW FOR 1 OR MORE CHECKOFFS TO BE PROVIDED ON AN ANNUAL RETURN
REQUIRED UNDER THIS ORDINANCE.

(2) IF A CITY ADOPTS AN AMENDMENT TO ITS CITY INCOME TAX
ORDINANCE DESCRIBED IN SUBSECTION (1), THE ORDINANCE SHALL STATE

House Bill No. 4120 as amended February 14, 2007

BOTH OF THE FOLLOWING:

(A) THE TAX YEARS FOR WHICH SECTION 36 OF CHAPTER 2 APPLIES.

(B) THE 1 OR MORE SPECIFIC PURPOSES FOR WHICH THE MONEY
DESIGNATED BY TAXPAYERS TO THE CHECKOFF FUND SHALL BE USED.

[(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, A CITY THAT
HAS INCLUDED 1 OR MORE CHECKOFFS ON ITS ANNUAL RETURN FORM BEFORE JANUARY
1, 2007 IS CONSIDERED TO HAVE COMPLIED WITH THIS SECTION AND SECTION 36
OF CHAPTER 2 AND THOSE CHECKOFFS FOR EACH YEAR THAT THE CONTRIBUTION
DESIGNATIONS REMAIN IN EFFECT ARE CONSIDERED RATIFIED, BINDING, AND
ENFORCEABLE AS IF THE AMENDMENT TO INCLUDE SECTION 36 OF CHAPTER 2 IN ITS
CITY INCOME TAX ORDINANCE WERE ADOPTED IN ACCORDANCE WITH THIS SECTION.]

CHAPTER 2

SEC. 36. (1) A TAXPAYER MAY DESIGNATE ON THE ANNUAL RETURN
REQUIRED UNDER THIS ACT THAT A CONTRIBUTION OF A SPECIFIED AMOUNT
OF A REFUND DUE THE TAXPAYER BE CREDITED TO THE CHECKOFF FUND WHICH
SHALL BE A RESTRICTED FUND WITHIN THE GENERAL FUND OF THE CITY TO
BE USED SOLELY FOR THE PURPOSES SPECIFIED PURSUANT TO SECTION 10 OF
CHAPTER 1.

(2) THE PURPOSES FOR WHICH THE MONEY WILL BE USED SHALL BE
CLEARLY PRINTED ON THE ANNUAL RETURN OR IN THE INSTRUCTION BOOK
THAT ACCOMPANIES THE ANNUAL RETURN.

(3) IF A TAXPAYER'S REFUND IS NOT SUFFICIENT TO MAKE A
CONTRIBUTION UNDER THIS SECTION, THE TAXPAYER MAY DESIGNATE A
CONTRIBUTION AMOUNT AND THAT CONTRIBUTION AMOUNT SHALL BE ADDED TO
THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR.

(4) NOTWITHSTANDING ANY OTHER ALLOCATIONS OR DISBURSEMENTS
REQUIRED BY THIS ORDINANCE, EACH YEAR THAT THE CONTRIBUTION
DESIGNATION UNDER THIS SECTION IS IN EFFECT, AN AMOUNT EQUAL TO THE
CUMULATIVE CONTRIBUTIONS MADE UNDER THIS SECTION, LESS THE AMOUNT
APPROPRIATED TO THE CITY TO IMPLEMENT THIS SECTION, SHALL BE
DEPOSITED INTO THE CHECKOFF FUND OF THE CITY.

(5) THE CHECKOFF FUND SHALL CONSIST OF THE MONEY CREDITED TO
THE FUND UNDER THIS SECTION, ANY INTEREST AND EARNINGS ACCRUING
FROM THE SAVING AND INVESTMENT OF THAT MONEY, AND OTHER

1 APPROPRIATIONS, MONEY, OR THINGS OF VALUE RECEIVED BY THE CHECKOFF
2 FUND.

3 (6) THE CITY TREASURER SHALL DIRECT THE INVESTMENT OF THE
4 CHECKOFF FUND.

5 (7) MONEY IN THE CHECKOFF FUND AT THE CLOSE OF THE YEAR SHALL
6 REMAIN IN THE CHECKOFF FUND AND SHALL NOT LAPSE TO THE GENERAL FUND
7 OF THE CITY.

8 (8) THE MONEY, INTEREST, AND EARNINGS OF THE CHECKOFF FUND
9 SHALL BE EXPENDED SOLELY FOR THE PURPOSES SPECIFIED IN THE
10 AMENDMENT ADOPTED AS REQUIRED BY SECTION 10 OF CHAPTER 1.