

**SUBSTITUTE FOR  
HOUSE BILL NO. 4557**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending sections 435 and 438 (MCL 206.435 and 206.438), section  
435 as added by 2007 PA 133 and section 438 as added by 2004 PA  
364.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 435. (1) Except as otherwise provided under this section,  
2       for the 2008 tax year and each tax year after the 2008 tax year, an  
3       individual may designate in a manner and form as prescribed by the  
4       department pursuant to subsection (2) on his or her annual return  
5       that contributions of \$5.00, \$10.00, or more of his or her refund  
6       be credited to any of the following:

7       (a) For the 2010 tax year and each tax year after the 2010 tax  
8       year, the Michigan higher education assistance authority created in  
9       section 1 of 1960 PA 77, MCL 390.951, for the children of veterans

1 tuition grant program created in the children of veterans tuition  
2 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the  
3 contributions designated to this subdivision shall be used for the  
4 purpose of administering this section.

5 (b) For the 2010 tax year and each tax year after the 2010 tax  
6 year, the children's trust fund created in 1982 PA 249, MCL 21.171  
7 to 21.172.

8 (C) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX  
9 YEAR, THE MILITARY FAMILY RELIEF FUND CREATED IN SECTION 3 OF THE  
10 MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363, MCL 35.1213.

11 (D) ~~(e)~~—The prostate cancer research fund created in the  
12 prostate cancer research fund act, 2007 PA 135, MCL 333.26241 TO  
13 333.26246.

14 (E) ~~(d)~~—Amanda's fund for breast cancer prevention and  
15 treatment created in the Amanda's fund for breast cancer prevention  
16 and treatment act, 2007 PA 134, MCL 333.26231 TO 333.26237.

17 (F) ~~(e)~~—The animal welfare fund created in the animal welfare  
18 fund act, 2007 PA 132, MCL 287.991 TO 287.997.

19 (G) ~~(f)~~—The Michigan housing and community development fund  
20 created in section 3 of the Michigan housing and community  
21 development fund act, 2004 PA 479, MCL 125.2823.

22 (2) The department shall establish and utilize a separate  
23 contributions schedule that incorporates each contribution  
24 designation authorized under this section that remains in effect  
25 and available for each tax year and shall revise the state  
26 individual income tax return form to include a separate line for  
27 the total contribution designations made under the separate

1 contributions schedule. The contribution designations authorized  
2 under sections 437, **438**, and 440 shall remain on the first page of  
3 the state individual income tax return for the 2008 and 2009 tax  
4 years, but shall be incorporated into the contributions schedule  
5 for the 2010 tax year and shall remain on the schedule until the  
6 contribution designation expires by law or is otherwise no longer  
7 available as determined by the department pursuant to subsection  
8 (3). A contribution designation that is enacted after the effective  
9 date of the amendatory act that added this section shall be  
10 incorporated as soon as practical on the contributions schedule,  
11 and each new contribution designation shall be listed on the  
12 schedule in alphabetical order.

13 (3) The department may cease to include a contribution  
14 designation on the contributions schedule if that contribution  
15 designation fails to raise \$100,000.00 in any tax year for 2  
16 consecutive tax years.

17 (4) If an individual's refund is not sufficient to make a  
18 contribution under this section, the individual may designate a  
19 contribution amount and that contribution amount shall be added to  
20 the individual's tax liability for the tax year.

21 (5) Notwithstanding any other allocations or disbursements  
22 required by this act, each year that a contribution designation  
23 under this section is in effect, an amount equal to the cumulative  
24 designation made under this section, less the amount appropriated  
25 to the department to implement this section, shall be appropriated  
26 from the general fund and distributed to the department responsible  
27 for administering the appropriate fund to which the taxpayer

1 designated his or her contribution and shall be used solely for the  
2 purposes of that fund.

3 (6) Money appropriated pursuant to an appropriations act as  
4 required by law in accordance with this section to the department  
5 responsible for administering each respective fund shall be in  
6 addition to any other allocation or appropriation and is intended  
7 to enhance appropriations from the general fund and not to replace  
8 or supplant those appropriations.

9 Sec. 438. (1) For tax years that begin after December 31,  
10 2003, ~~and before January 1, 2008,~~ a taxpayer may designate on his  
11 or her annual return that a contribution of \$1.00 or more of his or  
12 her refund be credited to the military family relief fund **CREATED**  
13 **IN SECTION 3 OF THE MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363,**  
14 **MCL 35.1213. NOTWITHSTANDING ANY OTHER PROVISION IN THIS SECTION,**  
15 **FOR THE TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2010, THE**  
16 **CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS SECTION SHALL BE**  
17 **OFFERED AND ADMINISTERED IN ACCORDANCE WITH SECTION 435.**

18 (2) If a taxpayer's refund is not sufficient to make a  
19 contribution under this section, the taxpayer may designate that  
20 the amount designated be added to the taxpayer's tax liability for  
21 the tax year.

22 (3) The contribution designation authorized in this section  
23 shall be clearly and unambiguously printed on the first page of all  
24 state individual income tax return forms, if practicable. **EFFECTIVE**  
25 **JANUARY 1, 2010, THE CONTRIBUTION DESIGNATION AUTHORIZED IN THIS**  
26 **SECTION IS NO LONGER REQUIRED TO BE PRINTED ON THE FIRST PAGE OF**  
27 **THE STATE INDIVIDUAL INCOME TAX RETURN BUT SHALL BE INCORPORATED**

1 INTO THE CONTRIBUTIONS SCHEDULE CREATED BY THE DEPARTMENT PURSUANT  
2 TO SECTION 435 AND SHALL REMAIN ON THE SCHEDULE UNTIL THE  
3 CONTRIBUTION DESIGNATION EXPIRES OR IS OTHERWISE NO LONGER  
4 AVAILABLE.

5 (4) Notwithstanding the other allocations and disbursements  
6 required by this act, **AND EACH YEAR THAT THE CONTRIBUTION**  
7 **DESIGNATION IS IN EFFECT**, an amount equal to the cumulative  
8 designations made under this section, less the amount appropriated  
9 to the department of treasury for the purpose of implementing this  
10 section, shall be **APPROPRIATED FROM THE GENERAL FUND AND**  
11 distributed each fiscal year to the department of military and  
12 veterans affairs to be used as follows:

13 (a) Twenty percent to the post fund and posthumous fund of the  
14 Michigan soldiers' home to be used as provided in 1905 PA 313, MCL  
15 36.61.

16 (b) Eighty percent to the military family relief fund created  
17 in the military family relief fund act, **2004 PA 363, MCL 35.1211 TO**  
18 **35.1216**.

19 (5) Money appropriated pursuant to this section to the  
20 department of military and veterans affairs shall be in addition to  
21 any allocations and appropriations and is intended to enhance  
22 appropriations from the general fund and not to replace or supplant  
23 those appropriations.