

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

1 BOTH OF THE FOLLOWING:

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

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

5 CHAPTER 2

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

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

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

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

25 (5) THE CHECKOFF FUND SHALL CONSIST OF THE MONEY CREDITED TO
26 THE FUND UNDER THIS SECTION, ANY INTEREST AND EARNINGS ACCRUING
27 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.