

# HOUSE BILL No. 4540

March 28, 2007, Introduced by Reps. Robertson and Stahl and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 260 (MCL 206.260), as amended by 1996 PA 484.

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

1           Sec. 260. (1) A taxpayer may credit against the tax imposed by  
2 this act for the tax year, an amount, subject to the applicable  
3 limitations provided by this section, equal to 50% of the aggregate  
4 amount of charitable contributions made by the taxpayer during the  
5 tax year to any of the following:

6           (a) This state pursuant to the Faxon-McNamee art in public  
7 places act, ~~Act No. 105 of the Public Acts of 1980, being sections~~  
8 ~~18.71 to 18.81 of the Michigan Compiled Laws 1980 PA 105, MCL 18.71~~  
9 **TO 18.81**, of an artwork created by the taxpayer, for display in a  
10 public place.

1 (b) The state art in public places fund created pursuant to  
2 ~~Act No. 105 of the Public Acts of 1980~~ **THE FAXON-MCNAMEE ART IN**  
3 **PUBLIC PLACES ACT, 1980 PA 105, MCL 18.71 TO 18.81.**

4 (c) A municipality in this state of an artwork created by the  
5 personal effort of the taxpayer for display in a public place.

6 (d) Either a municipality of this state or a nonprofit  
7 corporation affiliated with both a municipality and an art  
8 institute located in the municipality, of money or artwork, whether  
9 or not created by the personal effort of the taxpayer, if for the  
10 purpose of benefiting an art institute located in that  
11 municipality.

12 (e) A public library.

13 (f) A public broadcast station as defined by section 397 of  
14 subpart ~~d~~-E of **PART IV OF** title III of the communications act of  
15 1934, 47 ~~U.S.C.~~-**USC** 397, that is not affiliated with an institution  
16 of higher education and that is located within this state.

17 (g) An institution of higher learning located within this  
18 state.

19 (h) The Michigan colleges foundation.

20 (i) The state museum.

21 (j) The department of ~~state~~-**HISTORY, ARTS, AND LIBRARIES** for  
22 the purpose of preservation of the state archives.

23 (k) A nonprofit corporation, fund, foundation, trust, or  
24 association organized and operated exclusively for the benefit of  
25 institutions of higher learning located within this state. A tax  
26 credit for a contribution described in this subdivision is  
27 permitted only if the donee corporation, fund, foundation, trust,

1 or association is controlled or approved and reviewed by the  
2 governing board of the institution benefiting from the charitable  
3 contribution. The nonprofit corporation, fund, foundation, trust,  
4 or association shall provide copies of its annual independently  
5 audited financial statements to the auditor general of this state  
6 and chairpersons of the senate and house appropriations committees.

7 **(l) THIS STATE, A MUNICIPALITY OF THIS STATE, OR A PUBLIC**  
8 **SCHOOL IN THIS STATE, OF A MUSICAL COMPOSITION CREATED BY THE**  
9 **TAXPAYER.**

10 (2) For a taxpayer other than a resident estate or trust, the  
11 amount allowable as a credit under this section for a tax year  
12 shall not exceed \$100.00, or for a husband and wife filing a joint  
13 return as provided in section 311, \$200.00.

14 (3) For a resident estate or trust, the amount allowable as a  
15 credit under this section for a tax year shall not exceed 10% of  
16 the tax liability for the year as determined without regard to this  
17 section or \$5,000.00, whichever is less and shall not have been  
18 deducted in arriving at federal taxable income.

19 (4) As used in this section:

20 (a) "Institution of higher learning" means only an educational  
21 institution located within this state that meets all of the  
22 following requirements:

23 (i) It maintains a regular faculty and curriculum and has a  
24 regularly enrolled body of students in attendance at the place  
25 where its educational activities are carried on.

26 (ii) It regularly offers education above the twelfth grade.

27 (iii) It awards associate, bachelors, masters, or doctoral

1 degrees or a combination of those degrees or higher education  
2 credits acceptable for those degrees granted by other institutions  
3 of higher learning.

4 (iv) It is recognized by the state board of education as an  
5 institution of higher learning and appears as an institution of  
6 higher learning in the annual publication of the department of  
7 education entitled "The Directory of Institutions of Higher  
8 Education".

9 (b) "Public library" means that term as defined in section 2  
10 of the state aid to public libraries act, ~~Act No. 89 of the Public~~  
11 ~~Acts of 1977, being section 397.552 of the Michigan Compiled Laws~~  
12 **1977 PA 89, MCL 397.552.**

13 (c) "Contributions made by the taxpayer" means, but is not  
14 limited to, the fair market value of artwork **OR A MUSICAL**  
15 **COMPOSITION** created by the personal effort of the taxpayer that is  
16 donated to and accepted as a donation by a qualified organization.  
17 The fair market value of a piece of artwork **OR A MUSICAL**  
18 **COMPOSITION** shall be determined at the time of the donation by  
19 independent appraisal.

20 (d) "Artwork" means an original, visual creation of quality  
21 executed in any size or shape, in any media, using any kind or type  
22 of materials.

23 **(E) "MUSICAL COMPOSITION" MEANS AN ORIGINAL SOUND RECORDING OR**  
24 **MUSICAL SCORE AND ANY PROPERTY RIGHTS IN THAT SOUND RECORDING OR**  
25 **MUSICAL SCORE DONATED BY THE TAXPAYER.**

26 **(F) "PUBLIC SCHOOL" MEANS THAT TERM AS DEFINED IN SECTION 5 OF**  
27 **THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.**

1           (5) The sum of the credits allowed by section 257 and this  
2 section shall not exceed the tax liability of the taxpayer.