

SENATE BILL No. 347

March 14, 2007, Introduced by Senators BIRKHOLZ, THOMAS, GARCIA and BROWN and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 437 and 440 (MCL 206.437 and 206.440), section
437 as added by 2005 PA 249 and section 440 as amended by 2005 PA
160, and by adding sections 430 and 431.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 430. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS
2 SUBSECTION, FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER THE 2008
3 TAX YEAR, THE DEPARTMENT SHALL ESTABLISH AND UTILIZE A SEPARATE
4 CONTRIBUTIONS SCHEDULE THAT INCORPORATES EACH CONTRIBUTION
5 DESIGNATION AUTHORIZED UNDER THIS CHAPTER THAT REMAINS IN EFFECT
6 AND AVAILABLE FOR EACH TAX YEAR AND SHALL REVISE THE STATE
7 INDIVIDUAL INCOME TAX RETURN FORM TO INCLUDE A SEPARATE LINE FOR
8 THE TOTAL CONTRIBUTION DESIGNATIONS MADE UNDER THE SEPARATE
9 CONTRIBUTIONS SCHEDULE. THE CONTRIBUTION DESIGNATIONS AUTHORIZED

1 UNDER SECTIONS 437 AND 440 SHALL REMAIN ON THE FIRST PAGE OF THE
2 STATE INDIVIDUAL INCOME TAX RETURN FOR THE 2008 AND 2009 TAX YEARS,
3 BUT SHALL BE INCORPORATED INTO THE CONTRIBUTIONS SCHEDULE FOR THE
4 2010 TAX YEAR AND SHALL REMAIN ON THE SCHEDULE UNTIL THE
5 CONTRIBUTION DESIGNATION EXPIRES BY LAW OR IS OTHERWISE NO LONGER
6 AVAILABLE AS DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION
7 (2).

8 (2) THE DEPARTMENT SHALL ESTABLISH A TRIGGER MECHANISM FOR THE
9 REMOVAL OF CONTRIBUTION DESIGNATIONS AUTHORIZED UNDER THIS CHAPTER
10 FROM THE CONTRIBUTIONS SCHEDULE. THE MECHANISM SHALL BE BASED ON A
11 MINIMUM AMOUNT OF FUNDS AS PRESCRIBED BY THE DEPARTMENT THAT IS
12 REQUIRED TO BE COLLECTED PURSUANT TO THE CONTRIBUTION DESIGNATION
13 FOR THE IMMEDIATELY PRECEDING TAX YEAR OR OTHER TIME PERIOD AS
14 PRESCRIBED BY THE DEPARTMENT. IF THE FUNDS COLLECTED FOR A
15 CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS CHAPTER DO NOT
16 SATISFY THE REQUIREMENTS PRESCRIBED BY THE DEPARTMENT, THEN THAT
17 CONTRIBUTION MAY NO LONGER BE AVAILABLE AND THE DEPARTMENT MAY
18 CEASE TO INCLUDE THAT CONTRIBUTION DESIGNATION ON THE CONTRIBUTIONS
19 SCHEDULE.

20 (3) A CONTRIBUTION DESIGNATION THAT IS ENACTED AFTER THE
21 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION SHALL
22 BE INCORPORATED AS SOON AS PRACTICAL ON THE CONTRIBUTIONS SCHEDULE,
23 AND EACH NEW CONTRIBUTION DESIGNATION SHALL BE LISTED ON THE
24 SCHEDULE IN ALPHABETICAL ORDER.

25 SEC. 431. (1) FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER
26 THE 2008 TAX YEAR, AN INDIVIDUAL MAY DESIGNATE IN A MANNER AND FORM
27 AS PRESCRIBED BY THE DEPARTMENT PURSUANT TO SECTION 430 ON HIS OR

1 HER ANNUAL RETURN THAT A CONTRIBUTION OF \$5.00, \$10.00, OR MORE OF
2 HIS OR HER REFUND BE CREDITED TO THE AMANDA'S FUND FOR BREAST
3 CANCER RESEARCH CREATED IN THE AMANDA'S FUND FOR BREAST CANCER
4 RESEARCH ACT. IF AN INDIVIDUAL'S REFUND IS NOT SUFFICIENT TO MAKE A
5 CONTRIBUTION UNDER THIS SECTION, THE INDIVIDUAL MAY DESIGNATE A
6 CONTRIBUTION AMOUNT AND THAT CONTRIBUTION AMOUNT SHALL BE ADDED TO
7 THE INDIVIDUAL'S TAX LIABILITY FOR THE TAX YEAR.

8 (2) NOTWITHSTANDING ANY OTHER ALLOCATIONS OR DISBURSEMENTS
9 REQUIRED BY THIS ACT, EACH YEAR THAT THE CONTRIBUTION DESIGNATION
10 UNDER THIS SECTION IS IN EFFECT, AN AMOUNT EQUAL TO THE CUMULATIVE
11 DESIGNATION MADE UNDER THIS SECTION, LESS THE AMOUNT APPROPRIATED
12 TO THE DEPARTMENT TO IMPLEMENT THIS SECTION, SHALL BE APPROPRIATED
13 FROM THE GENERAL FUND AND DISTRIBUTED TO THE DEPARTMENT RESPONSIBLE
14 FOR ADMINISTERING THE AMANDA'S FUND FOR BREAST CANCER RESEARCH
15 CREATED IN THE AMANDA'S FUND FOR BREAST CANCER RESEARCH ACT AND
16 SHALL BE USED SOLELY FOR THE PURPOSES OF THAT FUND.

17 (3) MONEY APPROPRIATED PURSUANT TO AN APPROPRIATIONS ACT AS
18 REQUIRED BY LAW IN ACCORDANCE WITH THIS SECTION TO THE DEPARTMENT
19 RESPONSIBLE FOR ADMINISTERING THE AMANDA'S FUND FOR BREAST CANCER
20 RESEARCH SHALL BE IN ADDITION TO ANY OTHER ALLOCATION OR
21 APPROPRIATION AND IS INTENDED TO ENHANCE APPROPRIATIONS FROM THE
22 GENERAL FUND AND NOT TO REPLACE OR SUPPLANT THOSE APPROPRIATIONS.

23 Sec. 437. (1) For the 2006 tax year and each tax year after
24 the 2006 tax year AND BEFORE JANUARY 1, 2010, an individual may
25 designate on his or her annual return that a contribution of \$2.00
26 or more of his or her refund, AND FOR TAX YEARS BEGINNING ON AND
27 AFTER JANUARY 1, 2010, AN INDIVIDUAL MAY DESIGNATE ON HIS OR HER

1 ANNUAL RETURN THAT A CONTRIBUTION OF \$5.00, \$10.00, OR MORE OF HIS
2 OR HER REFUND, be credited to the Michigan higher education
3 assistance authority created in section 1 of 1960 PA 77, MCL
4 390.951, for the children of veterans tuition grant program created
5 in the children of veterans tuition grant ~~program-act~~, 2005 PA 248,
6 MCL 390.1341 TO 390.1346. If an individual's refund is not
7 sufficient to make a contribution under this section, the
8 individual may designate a contribution amount and that
9 contribution amount shall be added to the individual's tax
10 liability for the tax year.

11 (2) The tax designation authorized in this section shall be
12 clearly and unambiguously printed on the first page of the state
13 individual income tax return forms, if practical. **EFFECTIVE JANUARY**
14 **1, 2010, THE CONTRIBUTION DESIGNATION AUTHORIZED IN THIS SECTION IS**
15 **NO LONGER REQUIRED TO BE PRINTED ON THE FIRST PAGE OF THE STATE**
16 **INDIVIDUAL INCOME TAX RETURN BUT SHALL BE INCORPORATED INTO THE**
17 **CONTRIBUTIONS SCHEDULE CREATED BY THE DEPARTMENT PURSUANT TO**
18 **SECTION 430 AND SHALL REMAIN ON THE SCHEDULE UNTIL THE CONTRIBUTION**
19 **DESIGNATION EXPIRES OR IS OTHERWISE NO LONGER AVAILABLE.**

20 (3) Notwithstanding any other allocations or disbursements
21 required by this act, each year that the contribution designation
22 under this section is in effect, an amount equal to the cumulative
23 contributions made under this section shall be appropriated from
24 the general fund to the children of veterans tuition grant program
25 of the Michigan higher education assistance authority, and the
26 funds shall be distributed for programs allowed under the children
27 of veterans tuition grant act, 2005 PA 248, MCL 390.1341 TO

1 390.1346. No money from the contributions made pursuant to this
2 section shall be used for the purpose of administering this
3 section.

4 Sec. 440. (1) Effective for the tax year beginning January 1,
5 1982 and before January 1, 2005, an individual may designate on his
6 or her annual return that a contribution of \$2.00 or more of his or
7 her refund and for tax years beginning on and after January 1,
8 2005, an individual may designate on his or her annual return that
9 a contribution of \$5.00, **\$10.00**, or more of his or her refund be
10 credited to the children's trust fund **CREATED IN 1982 PA 249, MCL**
11 **21.171 TO 21.172**. If a taxpayer's refund is not sufficient to make
12 a contribution under this section, the taxpayer may designate a
13 contribution amount and that contribution amount shall be added to
14 the taxpayer's tax liability for the tax year.

15 (2) The contribution designation authorized in this section
16 shall be clearly and unambiguously printed on the first page of the
17 state individual income tax return. **EFFECTIVE JANUARY 1, 2010, THE**
18 **CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS SECTION IS NO LONGER**
19 **REQUIRED TO BE PRINTED ON THE FIRST PAGE OF THE STATE INDIVIDUAL**
20 **INCOME TAX RETURN BUT SHALL BE INCORPORATED INTO THE CONTRIBUTIONS**
21 **SCHEDULE CREATED BY THE DEPARTMENT PURSUANT TO SECTION 430 AND**
22 **SHALL REMAIN ON THE SCHEDULE UNTIL THE CONTRIBUTION DESIGNATION**
23 **EXPIRES OR IS OTHERWISE NO LONGER AVAILABLE.**

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. 348.

26 of the 94th Legislature is enacted into law.