

HOUSE BILL No. 4952

September 13, 2011, Introduced by Rep. Lyons and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 510 (MCL 206.510), as amended by 2011 PA 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 510. (1) "Income" means the sum of federal adjusted gross
2 income as defined in the internal revenue code plus all income
3 specifically excluded or exempt from the computations of the
4 federal adjusted gross income. ~~except that beginning with the 1988~~
5 ~~tax year, a deduction for a carryback or carryover of a net~~
6 ~~operating loss shall not exceed federal modified taxable income as~~
7 ~~defined in section 172(b)(2) of the internal revenue code. Also, a~~
8 person who is enrolled in an accident or health insurance plan may
9 deduct from income the amount that person paid in premiums in the
10 tax year for that insurance plan for the person's family. Income

1 does not include any of the following:

2 (a) The first \$300.00 of gifts in cash or kind from
3 nongovernmental sources.

4 (b) The first \$300.00 received from awards, prizes, lottery,
5 bingo, or other gambling winnings.

6 (c) Surplus foods.

7 (d) Relief in kind supplied by a governmental agency.

8 (e) Payments or credits under this part.

9 (f) A governmental grant that has to be used by the claimant
10 for rehabilitation of the claimant's homestead.

11 (g) Stipends received by a person 60 years of age or older who
12 is acting as a foster grandparent under the foster grandparent
13 program authorized pursuant to section 211 of part B of title II of
14 the domestic volunteer service act of 1973, Public Law 93-113, 42
15 USC 5011, or who is acting as a senior companion pursuant to
16 section 213 of part C of title II of the domestic volunteer service
17 act of 1973, Public Law 93-113, 42 USC 5013.

18 (h) Amounts deducted from monthly social security or railroad
19 retirement benefits for medicare premiums.

20 (i) Contributions by an employer to life, accident, or health
21 insurance plans.

22 (j) Energy assistance grants and energy assistance tax
23 credits.

24 (2) "Owner" means a natural person who owns or is purchasing a
25 homestead under a mortgage or land contract, who owns or is
26 purchasing a dwelling situated on the leased lands of another, or
27 who is a tenant-stockholder of a cooperative housing corporation.

1 Enacting section 1. This amendatory act takes effect January
2 1, 2012.