

# HOUSE BILL No. 5232

December 14, 2011, Introduced by Reps. Farrington, Heise and Hobbs and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 435 (MCL 206.435), as amended by 2010 PA 346.

**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  
10 tuition grant program created in the children of veterans tuition  
11 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the

1 contributions designated to this subdivision shall be used for the  
2 purpose of administering this section.

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

6 ~~—— (c) The prostate cancer research fund created in the prostate  
7 cancer research fund act, 2007 PA 135, MCL 333.26241 to 333.26246.~~

8 ~~—— (d) Amanda's fund for breast cancer prevention and treatment  
9 created in the Amanda's fund for breast cancer prevention and  
10 treatment act, 2007 PA 134, MCL 333.26231 to 333.26237.~~

11 (C) ~~(e) The animal welfare fund created in the animal welfare  
12 fund act, 2007 PA 132, MCL 287.991 to 287.997.~~

13 ~~—— (f) The Michigan housing and community development fund  
14 created in section 58a of the state housing development authority  
15 act of 1966, 1966 PA 346, MCL 125.1458a.~~

16 ~~—— (g) The Michigan law enforcement officers memorial monument  
17 fund created in section 3 of the Michigan law enforcement officers  
18 memorial act, 2004 PA 177, MCL 28.783.~~

19 ~~—— (h) For the 2009 tax year and each tax year after the 2009 tax  
20 year, the renewable fuels fund created in section 5a of the motor  
21 fuels quality act, 1984 PA 44, MCL 290.645a.~~

22 ~~—— (i) The Michigan council for the arts fund created in section  
23 9 of the history, arts, and libraries act, 2001 PA 63, MCL 399.709.~~

24 ~~—— (j) For the 2009 tax year and each tax year after the 2009 tax  
25 year, the foster care trust fund created in section 3 of the foster  
26 care trust fund act, 2008 PA 525, MCL 722.1023.~~

27 ~~—— (k) For the 2009 tax year and each tax year after the 2009 tax~~

1 ~~year, the children's miracle network fund created in section 5 of~~  
2 ~~the children's miracle network fund act, 2008 PA 557, MCL~~  
3 ~~333.26565.~~

4 ~~—— (l) For the 2009 tax year and each tax year after the 2009 tax~~  
5 ~~year, the children's hospital of Michigan fund created in section~~  
6 ~~15 of the children's hospital of Michigan act, 2008 PA 527, MCL~~  
7 ~~333.26545.~~

8 (D) ~~(m)~~ For the 2009 tax year and each tax year after the 2009  
9 tax year, the united way fund created in section 3 of the united  
10 way fund act, 2008 PA 527, MCL 333.26533.

11 (E) ~~(n)~~ For the 2011 tax year and each tax year after the 2011  
12 tax year, the girl scouts of Michigan fund created in section 3 of  
13 the girl scouts of Michigan fund act, 2010 PA 347, MCL 206.923.

14 (2) ~~The~~ **SUBJECT TO THE LIMITATIONS PROVIDED UNDER THIS**  
15 **SUBSECTION, THE** department shall establish and utilize a separate  
16 contributions schedule that incorporates each contribution  
17 designation authorized under this section that remains in effect  
18 and available for each tax year and shall revise the state  
19 individual income tax return form to include a separate line for  
20 the total contribution designations made under the separate  
21 contributions schedule. The contribution designations authorized  
22 under sections 437, **438**, and 440 ~~shall remain on the first page of~~  
23 ~~the state individual income tax return for the 2008 and 2009 tax~~  
24 ~~years, but~~ shall be incorporated into the contributions schedule  
25 for the 2010 tax year and shall remain on the schedule until the  
26 contribution designation expires by law or is otherwise no longer  
27 available as determined by the department pursuant to subsection

1 (3). A contribution designation that is enacted after November 1,  
2 2007 shall be incorporated as soon as practical on the  
3 contributions schedule, and each new contribution designation shall  
4 be listed on the schedule in alphabetical order. **THE SEPARATE**  
5 **CONTRIBUTIONS SCHEDULE REQUIRED UNDER THIS SECTION SHALL INCLUDE**  
6 **NOT MORE THAN 10 SEPARATE CONTRIBUTION DESIGNATIONS IN ANY SINGLE**  
7 **TAX YEAR.**

8 (3) The department ~~may~~ **SHALL** cease to include a contribution  
9 designation on the contributions schedule if that contribution  
10 designation fails to raise ~~\$100,000.00~~ **\$50,000.00** in any **SINGLE** tax  
11 year. ~~for 2 consecutive tax years.~~

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

16 (5) Notwithstanding any other allocations or disbursements  
17 required by this act, each year that a contribution designation  
18 under this section is in effect, an amount equal to the cumulative  
19 designation made under this section, less the amount appropriated  
20 to the department to implement this section, shall be appropriated  
21 from the general fund and distributed to the department responsible  
22 for administering the appropriate fund to which the taxpayer  
23 designated his or her contribution and shall be used solely for the  
24 purposes of that fund.

25 (6) Money appropriated pursuant to an appropriations act as  
26 required by law in accordance with this section to the department  
27 responsible for administering each respective fund shall be in

1 addition to any other allocation or appropriation and is intended  
2 to enhance appropriations from the general fund and not to replace  
3 or supplant those appropriations.

4 (7) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL OF THE  
5 MONEY APPROPRIATED FROM THE CONTRIBUTIONS MADE PURSUANT TO THIS  
6 SECTION SHALL BE DISTRIBUTED AS PROVIDED IN EACH RESPECTIVE FUND  
7 WITHIN 1 YEAR AND NONE OF THE MONEY APPROPRIATED PURSUANT TO THIS  
8 SECTION SHALL BE USED FOR THE PURPOSE OF ADMINISTERING THE FUND.

9 (8) WHEN CONSIDERING WHETHER TO GRANT LEGISLATIVE APPROVAL TO  
10 AMEND THE STATE INDIVIDUAL INCOME TAX RETURN TO INCLUDE ADDITIONAL  
11 CONTRIBUTION DESIGNATIONS ON THE CONTRIBUTIONS SCHEDULE, THE  
12 LEGISLATURE SHALL CONSIDER ALL OF THE FOLLOWING:

13 (A) WHETHER THE ORGANIZATION SERVES MULTIPLE REGIONS  
14 THROUGHOUT THIS STATE.

15 (B) WHETHER THE ORGANIZATION HAS DEMONSTRATED THAT IT IS  
16 CAPABLE OF RAISING MORE THAN \$50,000.00 IN THIS STATE DURING THE  
17 TAX YEAR THROUGH MEANS OTHER THAN THE INCOME TAX CONTRIBUTION  
18 DESIGNATION.

19 (C) WHETHER THE ORGANIZATION EXPENDS 30% OR MORE OF ITS MONEY  
20 TO COVER ADMINISTRATIVE AND FUND-RAISING COSTS.

21 (D) WHETHER THE ORGANIZATION HAD PREVIOUSLY BEEN INCLUDED ON  
22 THE CONTRIBUTIONS SCHEDULE WITHIN THE LAST IMMEDIATELY PRECEDING 3  
23 YEARS AND WAS REMOVED BECAUSE IT FAILED TO RAISE A SUFFICIENT  
24 AMOUNT OF MONEY AS PRESCRIBED UNDER SUBSECTION (3).

25 (E) WHETHER THE ORGANIZATION RECEIVES ANY OTHER STATE FUNDS OR  
26 OTHER TYPE OF FINANCIAL ASSISTANCE FROM THIS STATE.

27 (F) WHETHER THE ORGANIZATION IS ASSOCIATED WITH A NONPROFIT

1 CHARITABLE ORGANIZATION.