

# SENATE BILL No. 646

October 24, 2013, Introduced by Senators KAHN, PAPPAGEORGE, GREEN, SCHUITMAKER, BRANDENBURG, MOOLENAAR, MARLEAU and HILDENBRAND and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 435 (MCL 206.435), as amended by 2013 PA 92.

## 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

1 tuition grant program created in the children of veterans tuition  
2 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the  
3 contributions designated to this subdivision shall be used for the  
4 purpose of administering this section.

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

8 (c) For the 2010 tax year and each tax year after the 2010 tax  
9 year, the military family relief fund created in section 3 of the  
10 military family relief fund act, 2004 PA 363, MCL 35.1213.

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

13 (e) For the 2009 tax year and each tax year after the 2009 tax  
14 year, the united way fund created in section 3 of the united way  
15 fund act, 2008 PA 527, MCL 333.26533.

16 (f) For the ~~2011~~**2014** tax year and each tax year after the  
17 ~~2011~~**2014** tax year, the girl scouts **AND BOY SCOUTS** of Michigan fund  
18 created in section 3 of the girl scouts **AND BOY SCOUTS** of Michigan  
19 fund act, 2010 PA 347, MCL 206.923.

20 (g) For the 2012 tax year and each tax year after the 2012 tax  
21 year, the special Olympics Michigan fund created in section 5 of  
22 the special Olympics Michigan fund act, 2012 PA 155, MCL 206.945.

23 (h) For the 2013 tax year and each tax year after the 2013 tax  
24 year, the ALS of Michigan ("Lou Gehrig's disease") fund created in  
25 section 3 of the ALS of Michigan ("Lou Gehrig's disease") fund act,  
26 **2013 PA 89, MCL 206.933.**

27 (i) For the 2013 tax year and each tax year after the 2013 tax

1 year, the Michigan Amber alert fund created in section 5 of the  
2 Michigan Amber alert act, 2002 PA 712, MCL 28.755.

3 (j) For the 2013 tax year and each tax year after the 2013 tax  
4 year, the Michigan Alzheimer's association fund created in section  
5 5 of the Michigan Alzheimer's association fund act, **2013 PA 88, MCL**  
6 **206.965.**

7 (2) Subject to the limitations provided under this subsection,  
8 the department shall establish and utilize a separate contributions  
9 schedule that incorporates each contribution designation authorized  
10 under this section that remains in effect and available for each  
11 tax year and shall revise the state individual income tax return  
12 form to include a separate line for the total contribution

13 designations made under the separate contributions schedule. The  
14 contribution designations authorized under sections 437, 438, and  
15 440 shall be incorporated into the contributions schedule for the  
16 2010 tax year and shall remain on the schedule until the

17 contribution designation expires by law or is otherwise no longer  
18 available as determined by the department pursuant to subsection

19 (3). A contribution designation that is enacted after November 1,  
20 2007 shall be incorporated as soon as practical on the

21 contributions schedule, and each new contribution designation shall  
22 be listed on the schedule in alphabetical order. The separate  
23 contributions schedule required under this section shall include  
24 not more than 10 separate contribution designations in any single  
25 tax year.

26 (3) The department shall cease to include a contribution  
27 designation on the contributions schedule if that contribution

1 designation fails to raise \$50,000.00 in any tax year for 2  
2 consecutive tax years.

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

7 (5) Notwithstanding any other allocations or disbursements  
8 required by this act, each year that a contribution designation  
9 under this section is in effect, an amount equal to the cumulative  
10 designation made under this section, less the amount appropriated  
11 to the department to implement this section, shall be appropriated  
12 from the general fund and distributed to the department responsible  
13 for administering the appropriate fund to which the taxpayer  
14 designated his or her contribution and shall be used solely for the  
15 purposes of that fund.

16 (6) Money appropriated pursuant to an appropriations act as  
17 required by law in accordance with this section to the department  
18 responsible for administering each respective fund shall be in  
19 addition to any other allocation or appropriation and is intended  
20 to enhance appropriations from the general fund and not to replace  
21 or supplant those appropriations.

22 (7) Notwithstanding any other provision of law, all of the  
23 following apply:

24 (a) Money appropriated from the contributions made pursuant to  
25 this section shall be distributed as provided in each respective  
26 fund within 1 year and none of the money appropriated pursuant to  
27 this section shall be used for the purpose of administering the

1 fund.

2 (b) If the fund to which the taxpayer designated his or her  
3 contributions is to be used for donations to multiple organizations  
4 located in this state, the department responsible for administering  
5 that fund shall designate 1 local representative or agency of that  
6 organization to administer and distribute those funds to other  
7 similar organizations in this state as provided in each respective  
8 act that created 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.

2 Enacting section 1. This amendatory act takes effect January  
3 1, 2014.

4 Enacting section 2. This amendatory act does not take effect  
5 unless Senate Bill No. 645

6 of the 97th Legislature is enacted into law.