

# HOUSE BILL No. 4402

March 12, 2013, Introduced by Rep. Kelly 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 2012 PA 154.

## 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

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

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

7 **(C) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX**  
8 **YEAR, THE MILITARY FAMILY RELIEF FUND CREATED IN SECTION 3 OF THE**  
9 **MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363, MCL 35.1213.**

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

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

15 (F) ~~(e)~~—For the 2011 tax year and each tax year after the 2011  
16 tax year, the girl scouts of Michigan fund created in section 3 of  
17 the girl scouts of Michigan fund act, 2010 PA 347, MCL 206.923.

18 (G) ~~(f)~~—For the 2012 tax year and each tax year after the 2012  
19 tax year, the special Olympics Michigan fund created in section 5  
20 of the special Olympics Michigan fund act, **2012 PA 155, MCL**  
21 **206.945.**

22 **(H) FOR THE 2013 TAX YEAR AND EACH TAX YEAR AFTER THE 2013 TAX**  
23 **YEAR, THE BOY SCOUTS OF MICHIGAN FUND CREATED IN SECTION 3 OF THE**  
24 **BOY SCOUTS OF MICHIGAN FUND ACT.**

25 (2) Subject to the limitations provided under this subsection,  
26 the department shall establish and utilize a separate contributions  
27 schedule that incorporates each contribution designation authorized

1 under this section that remains in effect and available for each  
2 tax year and shall revise the state individual income tax return  
3 form to include a separate line for the total contribution  
4 designations made under the separate contributions schedule. The  
5 contribution designations authorized under sections 437, 438, and  
6 440 shall be incorporated into the contributions schedule for the  
7 2010 tax year and shall remain on the schedule until the  
8 contribution designation expires by law or is otherwise no longer  
9 available as determined by the department pursuant to subsection  
10 (3). A contribution designation that is enacted after November 1,  
11 2007 shall be incorporated as soon as practical on the  
12 contributions schedule, and each new contribution designation shall  
13 be listed on the schedule in alphabetical order. The separate  
14 contributions schedule required under this section shall include  
15 not more than 10 separate contribution designations in any single  
16 tax year.

17 (3) The department shall cease to include a contribution  
18 designation on the contributions schedule if that contribution  
19 designation fails to raise \$50,000.00 in any tax year for 2  
20 consecutive tax years.

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

25 (5) Notwithstanding any other allocations or disbursements  
26 required by this act, each year that a contribution designation  
27 under this section is in effect, an amount equal to the cumulative

1 designation made under this section, less the amount appropriated  
2 to the department to implement this section, shall be appropriated  
3 from the general fund and distributed to the department responsible  
4 for administering the appropriate fund to which the taxpayer  
5 designated his or her contribution and shall be used solely for the  
6 purposes of that fund.

7 (6) Money appropriated pursuant to an appropriations act as  
8 required by law in accordance with this section to the department  
9 responsible for administering each respective fund shall be in  
10 addition to any other allocation or appropriation and is intended  
11 to enhance appropriations from the general fund and not to replace  
12 or supplant those appropriations.

13 (7) Notwithstanding any other provision of law, all of the  
14 following apply:

15 (a) Money appropriated from the contributions made pursuant to  
16 this section shall be distributed as provided in each respective  
17 fund within 1 year and none of the money appropriated pursuant to  
18 this section shall be used for the purpose of administering the  
19 fund.

20 (b) If the fund to which the taxpayer designated his or her  
21 contributions is to be used for donations to multiple organizations  
22 located in this state, the department responsible for administering  
23 that fund shall designate 1 local representative or agency of that  
24 organization to administer and distribute those funds to other  
25 similar organizations in this state as provided in each respective  
26 act that created the fund.

27 (8) When considering whether to grant legislative approval to

1 amend the state individual income tax return to include additional  
2 contribution designations on the contributions schedule, the  
3 legislature shall consider all of the following:

4 (a) Whether the organization serves multiple regions  
5 throughout this state.

6 (b) Whether the organization has demonstrated that it is  
7 capable of raising more than \$50,000.00 in this state during the  
8 tax year through means other than the income tax contribution  
9 designation.

10 (c) Whether the organization expends 30% or more of its money  
11 to cover administrative and fund-raising costs.

12 (d) Whether the organization had previously been included on  
13 the contributions schedule within the last immediately preceding 3  
14 years and was removed because it failed to raise a sufficient  
15 amount of money as prescribed under subsection (3).

16 (e) Whether the organization receives any other state funds or  
17 other type of financial assistance from this state.

18 (f) Whether the organization is associated with a nonprofit  
19 charitable organization.

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No. \_\_\_\_ or House Bill No. 4403(request no.  
22 01666'13 a) of the 97th Legislature is enacted into law.