

# HOUSE BILL No. 5623

June 4, 2014, Introduced by Rep. Olumba and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.713) by adding section 260.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 260. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2013, A TAXPAYER MAY CREDIT AGAINST THE TAX IMPOSED BY THIS ACT FOR  
3        THE TAX YEAR, AN AMOUNT, SUBJECT TO THE APPLICABLE LIMITATIONS  
4        PROVIDED BY THIS SECTION, EQUAL TO 50% OF THE AGGREGATE AMOUNT OF  
5        CHARITABLE CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAX YEAR  
6        TO ANY OF THE FOLLOWING:

7        (A) THIS STATE PURSUANT TO THE FAXON-MCNAMEE ART IN PUBLIC  
8        PLACES ACT, 1980 PA 105, MCL 18.71 TO 18.81, OF AN ARTWORK CREATED

1 BY THE TAXPAYER, FOR DISPLAY IN A PUBLIC PLACE.

2 (B) THE STATE ART IN PUBLIC PLACES FUND CREATED PURSUANT TO  
3 THE FAXON-MCNAMEE ART IN PUBLIC PLACES ACT, 1980 PA 105, MCL 18.71  
4 TO 18.81.

5 (C) A MUNICIPALITY IN THIS STATE OF AN ARTWORK CREATED BY THE  
6 PERSONAL EFFORT OF THE TAXPAYER FOR DISPLAY IN A PUBLIC PLACE.

7 (D) EITHER A MUNICIPALITY OF THIS STATE OR A NONPROFIT  
8 CORPORATION AFFILIATED WITH BOTH A MUNICIPALITY AND AN ART  
9 INSTITUTE LOCATED IN THE MUNICIPALITY, OF MONEY OR ARTWORK, WHETHER  
10 OR NOT CREATED BY THE PERSONAL EFFORT OF THE TAXPAYER, IF FOR THE  
11 PURPOSE OF BENEFITING AN ART INSTITUTE LOCATED IN THAT  
12 MUNICIPALITY.

13 (E) A PUBLIC LIBRARY.

14 (F) A PUBLIC BROADCAST STATION AS DEFINED BY SECTION 397 OF  
15 SUBPART E OF PART IV OF TITLE III OF THE COMMUNICATIONS ACT OF  
16 1934, 47 USC 397, THAT IS NOT AFFILIATED WITH AN INSTITUTION OF  
17 HIGHER EDUCATION AND THAT IS LOCATED WITHIN THIS STATE.

18 (G) AN INSTITUTION OF HIGHER LEARNING LOCATED WITHIN THIS  
19 STATE.

20 (H) THE MICHIGAN COLLEGES FOUNDATION.

21 (I) THE STATE MUSEUM.

22 (J) THE DEPARTMENT OF STATE FOR THE PURPOSE OF PRESERVATION OF  
23 THE STATE ARCHIVES.

24 (K) A NONPROFIT CORPORATION, FUND, FOUNDATION, TRUST, OR  
25 ASSOCIATION ORGANIZED AND OPERATED EXCLUSIVELY FOR THE BENEFIT OF  
26 INSTITUTIONS OF HIGHER LEARNING LOCATED WITHIN THIS STATE. A TAX  
27 CREDIT FOR A CONTRIBUTION DESCRIBED IN THIS SUBDIVISION IS

1 PERMITTED ONLY IF THE DONEE CORPORATION, FUND, FOUNDATION, TRUST,  
2 OR ASSOCIATION IS CONTROLLED OR APPROVED AND REVIEWED BY THE  
3 GOVERNING BOARD OF THE INSTITUTION BENEFITING FROM THE CHARITABLE  
4 CONTRIBUTION. THE NONPROFIT CORPORATION, FUND, FOUNDATION, TRUST,  
5 OR ASSOCIATION SHALL PROVIDE COPIES OF ITS ANNUAL INDEPENDENTLY  
6 AUDITED FINANCIAL STATEMENTS TO THE AUDITOR GENERAL OF THIS STATE  
7 AND CHAIRPERSONS OF THE SENATE AND HOUSE APPROPRIATIONS COMMITTEES.

8 (2) FOR A TAXPAYER OTHER THAN A RESIDENT ESTATE OR TRUST, THE  
9 AMOUNT ALLOWABLE AS A CREDIT UNDER THIS SECTION FOR A TAX YEAR  
10 SHALL NOT EXCEED \$100.00, OR FOR A JOINT RETURN AS PROVIDED IN  
11 SECTION 311, \$200.00.

12 (3) FOR A RESIDENT ESTATE OR TRUST, THE AMOUNT ALLOWABLE AS A  
13 CREDIT UNDER THIS SECTION FOR A TAX YEAR SHALL NOT EXCEED 10% OF  
14 THE TAX LIABILITY FOR THE YEAR AS DETERMINED WITHOUT REGARD TO THIS  
15 SECTION OR \$5,000.00, WHICHEVER IS LESS AND SHALL NOT HAVE BEEN  
16 DEDUCTED IN ARRIVING AT FEDERAL TAXABLE INCOME.

17 (4) AS USED IN THIS SECTION:

18 (A) "INSTITUTION OF HIGHER LEARNING" MEANS ONLY AN EDUCATIONAL  
19 INSTITUTION LOCATED WITHIN THIS STATE THAT MEETS ALL OF THE  
20 FOLLOWING REQUIREMENTS:

21 (i) IT MAINTAINS A REGULAR FACULTY AND CURRICULUM AND HAS A  
22 REGULARLY ENROLLED BODY OF STUDENTS IN ATTENDANCE AT THE PLACE  
23 WHERE ITS EDUCATIONAL ACTIVITIES ARE CARRIED ON.

24 (ii) IT REGULARLY OFFERS EDUCATION ABOVE THE TWELFTH GRADE.

25 (iii) IT AWARDS ASSOCIATE, BACHELORS, MASTERS, OR DOCTORAL  
26 DEGREES OR A COMBINATION OF THOSE DEGREES OR HIGHER EDUCATION  
27 CREDITS ACCEPTABLE FOR THOSE DEGREES GRANTED BY OTHER INSTITUTIONS

1 OF HIGHER LEARNING.

2 (iv) IT IS RECOGNIZED BY THE STATE BOARD OF EDUCATION AS AN  
3 INSTITUTION OF HIGHER LEARNING AND APPEARS AS AN INSTITUTION OF  
4 HIGHER LEARNING IN THE ANNUAL PUBLICATION OF THE DEPARTMENT OF  
5 EDUCATION ENTITLED "THE DIRECTORY OF INSTITUTIONS OF HIGHER  
6 EDUCATION".

7 (B) "PUBLIC LIBRARY" MEANS THAT TERM AS DEFINED IN SECTION 2  
8 OF THE STATE AID TO PUBLIC LIBRARIES ACT, 1977 PA 89, MCL 397.552.

9 (C) "CONTRIBUTIONS MADE BY THE TAXPAYER" MEANS, BUT IS NOT  
10 LIMITED TO, THE FAIR MARKET VALUE OF ARTWORK CREATED BY THE  
11 PERSONAL EFFORT OF THE TAXPAYER THAT IS DONATED TO AND ACCEPTED AS  
12 A DONATION BY A QUALIFIED ORGANIZATION. THE FAIR MARKET VALUE OF A  
13 PIECE OF ARTWORK SHALL BE DETERMINED AT THE TIME OF THE DONATION BY  
14 INDEPENDENT APPRAISAL.

15 (D) "ARTWORK" MEANS AN ORIGINAL, VISUAL CREATION OF QUALITY  
16 EXECUTED IN ANY SIZE OR SHAPE, IN ANY MEDIA, USING ANY KIND OR TYPE  
17 OF MATERIALS.