

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 816

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 435 (MCL 206.435), as amended by 2016 PA 184.

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

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

10 (C) ~~(d) The animal welfare fund created in~~ **SECTION 3 OF** the  
11 animal welfare fund act, 2007 PA 132, MCL ~~287.991 to~~  
12 ~~287.997.~~ **287.993.**

13 (D) ~~(e) For the 2009 tax year and each tax year after the 2009~~  
14 ~~tax year, the United Way~~ **THE UNITED WAY** fund created in section 3  
15 of the United Way **UNITED WAY** fund act, 2008 PA 527, MCL 333.26533.

16 ~~— (f) For the 2012 tax year and each tax year after the 2012 tax~~  
17 ~~year, the Special Olympics Michigan fund created in section 5 of~~  
18 ~~the special Olympics Michigan fund act, 2012 PA 155, MCL 206.945.~~

19 ~~— (g) For the 2013 tax year and each tax year after the 2013 tax~~  
20 ~~year, the ALS of Michigan ("Lou Gehrig's disease") fund created in~~  
21 ~~section 3 of the ALS of Michigan ("Lou Gehrig's disease") fund act,~~  
22 ~~2013 PA 89, MCL 206.933.~~

23 ~~— (h) For the 2013 tax year and each tax year after the 2013 tax~~  
24 ~~year, the Michigan Alzheimer's Association fund created in section~~  
25 ~~5 of the Michigan Alzheimer's association fund act, 2013 PA 88, MCL~~  
26 ~~206.965.~~

27 (E) ~~(i) For the 2016 tax year and each tax year after the 2016~~

1 tax year, the Michigan junior achievement fund created in section 5  
2 of the Michigan junior achievement fund act, 2016 PA 181, MCL  
3 206.1015.

4 (F) ~~(j)~~For the 2016 tax year and each tax year after the 2016  
5 tax year, the American Red Cross Michigan fund created in section 5  
6 of the American Red Cross Michigan fund act, 2016 PA 183, MCL  
7 206.1035.

8 (G) FOR THE 2018 TAX YEAR AND EACH TAX YEAR AFTER THE 2018 TAX  
9 YEAR, THE FOSTERING FUTURES SCHOLARSHIP TRUST FUND CREATED IN  
10 SECTION 3 OF THE FOSTERING FUTURES SCHOLARSHIP TRUST FUND ACT, 2008  
11 PA 525, MCL 722.1023.

12 (H) FOR THE 2018 TAX YEAR AND EACH TAX YEAR AFTER THE 2018 TAX  
13 YEAR, THE LIONS OF MICHIGAN FOUNDATION FUND CREATED IN SECTION 5 OF  
14 THE LIONS OF MICHIGAN FOUNDATION FUND ACT.

15 (I) FOR THE 2018 TAX YEAR AND EACH TAX YEAR AFTER THE 2018 TAX  
16 YEAR, THE MICHIGAN WORLD WAR II LEGACY MEMORIAL FUND CREATED IN  
17 SECTION 5 OF THE MICHIGAN WORLD WAR II LEGACY MEMORIAL FUND ACT.

18 (2) Subject to the limitations provided under this subsection,  
19 the department shall establish and utilize a separate contributions  
20 schedule that incorporates each contribution designation authorized  
21 under this section that remains in effect and available for each  
22 tax year and shall revise the state individual income tax return  
23 form to include a separate line for the total contribution  
24 designations made under the separate contributions schedule. The  
25 contribution designations authorized under sections 437, 438, and  
26 440 shall be incorporated into the contributions schedule for the  
27 2010 tax year and shall remain on the schedule until the

1 contribution designation expires by law or is otherwise no longer  
2 available as determined by the department pursuant to subsection  
3 (3). A contribution designation that is enacted after November 1,  
4 2007 shall be incorporated as soon as practical on the  
5 contributions schedule, and each new contribution designation shall  
6 be listed on the schedule in alphabetical order. The separate  
7 contributions schedule required under this section shall include  
8 not more than 10 separate contribution designations in any single  
9 tax year.

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

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

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

27 (6) Money appropriated pursuant to an appropriations act as

1 required by law in accordance with this section to the department  
2 responsible for administering each respective fund shall be in  
3 addition to any other allocation or appropriation and is intended  
4 to enhance appropriations from the general fund and not to replace  
5 or supplant those appropriations.

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

8 (a) Money appropriated from the contributions made pursuant to  
9 this section shall be distributed as provided in each respective  
10 fund within 1 year and none of the money appropriated pursuant to  
11 this section shall be used for the purpose of administering the  
12 fund.

13 (b) If the fund to which the taxpayer designated his or her  
14 contributions is to be used for donations to multiple organizations  
15 located in this state, the department responsible for administering  
16 that fund shall designate 1 local representative or agency of that  
17 organization to administer and distribute those funds to other  
18 similar organizations in this state as provided in each respective  
19 act that created the fund.

20 (8) When considering whether to grant legislative approval to  
21 amend the state individual income tax return to include additional  
22 contribution designations on the contributions schedule, the  
23 legislature shall consider all of the following:

24 (a) Whether the organization serves multiple regions  
25 throughout this state.

26 (b) Whether the organization has demonstrated that it is  
27 capable of raising more than \$50,000.00 in this state during the

1 tax year through means other than the income tax contribution  
2 designation.

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

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

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

11 (f) Whether the organization is associated with a nonprofit  
12 charitable organization.

13 Enacting section 1. This amendatory act does not take effect  
14 unless Senate Bill No. 817 of the 99th Legislature is enacted into  
15 law.