

SENATE BILL NO. 1076

September 02, 2020, Introduced by Senator MACGREGOR 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 2018 PA 258.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 435. (1) Except as otherwise provided under this section,
2 an individual may designate in a manner and form as prescribed by
3 the department pursuant to subsection (2) on his or her annual
4 return that contributions of \$5.00, \$10.00, or more of his or her
5 refund be credited to any of the following:

6 (a) The children's trust fund created in 1982 PA 249, MCL

21.171 to 21.172.

(b) The military family relief fund created in section 3 of the military family relief fund act, 2004 PA 363, MCL 35.1213.

(c) The animal welfare fund created in section 3 of the animal welfare fund act, 2007 PA 132, MCL 287.993.

(d) The united way fund created in section 3 of the united way fund act, 2008 PA 527, MCL 333.26533.

~~(e) For the 2016 tax year and each tax year after the 2016 tax year, the Michigan junior achievement fund created in section 5 of the Michigan junior achievement fund act, 2016 PA 181, MCL 206.1015.~~

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

~~(f)~~ ~~(g)~~ For the 2018 tax year and each tax year after the 2018 tax year, the fostering futures scholarship trust fund created in section 3 of the fostering futures scholarship trust fund act, 2008 PA 525, MCL 722.1023.

~~(g)~~ ~~(h)~~ For the 2018 tax year and each tax year after the 2018 tax year, the Lions of Michigan Foundation fund created in section 5 of the Lions of Michigan Foundation fund act, **2018 PA 255, MCL 206.1045.**

~~(h)~~ ~~(i)~~ For the 2018 tax year and each tax year after the 2018 tax year, the Michigan World War II Legacy Memorial fund created in section 5 of the Michigan World War II Legacy Memorial fund act, **2018 PA 257, MCL 206.1085.**

~~(i)~~ ~~(j)~~ For the 2018 tax year and each tax year after the 2018 tax year, the Kiwanis fund created in section 5 of the Kiwanis fund

1 act, 2018 PA 259, MCL 206.1065.

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

21 (3) ~~The~~ **Except as otherwise provide under this subsection, the**
22 department shall cease to include a contribution designation on the
23 contributions schedule if that contribution designation fails to
24 raise \$50,000.00 in any tax year for 2 consecutive tax years. **For**
25 **the 2020 tax year only, the department shall consider each**
26 **contributions designation on the contributions schedule for the**
27 **2019 tax year as raising the sufficient amount of revenue to remain**
28 **on the contributions schedule for the 2020 tax year regardless of**
29 **the amount raised.**

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

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

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

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

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

27 (b) If the fund to which the taxpayer designated his or her
28 contributions is to be used for donations to multiple organizations
29 located in this state, the department responsible for administering

1 that fund shall designate 1 local representative or agency of that
2 organization to administer and distribute those funds to other
3 similar organizations in this state as provided in each respective
4 act that created the fund.

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

9 (a) Whether the organization serves multiple regions
10 throughout this state.

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

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

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

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

23 (f) Whether the organization is associated with a nonprofit
24 charitable organization.