

# HOUSE BILL NO. 6020

October 15, 2024, Introduced by Reps. Martus, Hoskins, Byrnes, Paiz, Brenda Carter, Edwards, O'Neal, Neeley, McFall, McKinney, Rheingans and Coffia 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 206.847) by adding sections 279 and 679.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        **Sec. 279. (1) The department, in cooperation with the Michigan**  
2        **strategic fund, shall develop a Michigan community investment tax**  
3        **credit program in accordance with section 88u of the Michigan**  
4        **strategic fund act, 1984 PA 270, MCL 125.2088u. Subject to the**  
5        **limitations provided under this section, a taxpayer that makes a**

1 qualified donation in a qualified organization after December 31,  
2 2024 and before January 1, 2030 may claim a credit against the tax  
3 imposed by this part equal to 50% of the qualified donation made  
4 during the tax year to a qualified organization. A taxpayer shall  
5 not claim a credit under this section unless the qualified  
6 organization has issued a certificate to the taxpayer as required  
7 under section 88u(4) of the Michigan strategic fund act, 1984 PA  
8 270, MCL 125.2088u. The taxpayer shall attach the certificate to  
9 the annual return filed under this part on which a credit under  
10 this section is claimed.

11 (2) For a taxpayer who is a member of a flow-through entity  
12 that qualifies for the credit under this section, that taxpayer may  
13 claim a credit against the member's tax liability under this part  
14 based on the member's distributive share of business income  
15 reported from that flow-through entity or an alternative method  
16 approved by the department.

17 (3) The total amount of all credits allowed to be claimed  
18 under this section and section 679 shall not exceed \$25,000,000.00  
19 per calendar year. Before June 1 of each year, the department shall  
20 provide the Michigan strategic fund with an annual report detailing  
21 the amount of credits claimed under this section and section 679  
22 for the immediately preceding tax year and further specify how much  
23 of that total amount is attributable to each qualified  
24 organization.

25 (4) If the amount of the credit allowed under this section  
26 exceeds the tax liability of the taxpayer for the tax year, that  
27 portion of the credit that exceeds the tax liability of the  
28 taxpayer for the tax year must not be refunded but may be carried  
29 forward to offset tax liability under this part in subsequent tax

1 years for a period not to exceed 5 tax years or until used up,  
2 whichever occurs first.

3 (5) As used in this section:

4 (a) "Michigan strategic fund" means the Michigan strategic  
5 fund created in section 5 of the Michigan strategic fund act, 1984  
6 PA 270, MCL 125.2005.

7 (b) "Qualified donation" and "qualified organization" mean  
8 those terms as defined under section 88u of the Michigan strategic  
9 fund act, 1984 PA 270, MCL 125.2088u.

10 Sec. 679. (1) The department, in cooperation with the Michigan  
11 strategic fund, shall develop a Michigan community investment tax  
12 credit program in accordance with section 88u of the Michigan  
13 strategic fund act, 1984 PA 270, MCL 125.2088u. Subject to the  
14 limitations provided under this section, a taxpayer that makes a  
15 qualified donation in a qualified organization after December 31,  
16 2024 and before January 1, 2030 may claim a credit against the tax  
17 imposed by this part equal to 50% of the qualified donation made  
18 during the tax year to a qualified organization. A taxpayer shall  
19 not claim a credit under this section unless the qualified  
20 organization has issued a certificate to the taxpayer as required  
21 under section 88u(4) of the Michigan strategic fund act, 1984 PA  
22 270, MCL 125.2088u. The taxpayer shall attach the certificate to  
23 the annual return filed under this part on which a credit under  
24 this section is claimed.

25 (2) The total amount of all credits allowed to be claimed  
26 under this section and section 279 shall not exceed \$25,000,000.00  
27 per calendar year. Before June 1 of each year, the department shall  
28 provide the Michigan strategic fund with an annual report detailing  
29 the amount of credits claimed under this section and section 279

1 for the immediately preceding tax year and further specify how much  
2 of that total amount is attributable to each qualified  
3 organization.

4 (3) If the amount of the credit allowed under this section  
5 exceeds the tax liability of the taxpayer for the tax year, that  
6 portion of the credit that exceeds the tax liability of the  
7 taxpayer for the tax year must not be refunded but may be carried  
8 forward to offset tax liability under this part in subsequent tax  
9 years for a period not to exceed 5 tax years or until used up,  
10 whichever occurs first.

11 (4) As used in this section:

12 (a) "Michigan strategic fund" means the Michigan strategic  
13 fund created in section 5 of the Michigan strategic fund act, 1984  
14 PA 270, MCL 125.2005.

15 (b) "Qualified donation" and "qualified organization" mean  
16 those terms as defined under section 88u of the Michigan strategic  
17 fund act, 1984 PA 270, MCL 125.2088u.

18 Enacting section 1. This amendatory act does not take effect  
19 unless Senate Bill No. \_\_\_\_ or House Bill No. 6021 (request no.  
20 03407'23 \*) of the 102nd Legislature is enacted into law.