

# HOUSE BILL NO. 4754

July 29, 2025, Introduced by Reps. Tate, Glanville, T. Carter and Xiong and referred to Committee on Economic Competitiveness.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.847) by adding sections 260 and 679.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 260. (1) For tax years beginning on and after January 1,  
2       2026 and subject to the applicable limitations in this section, a  
3       taxpayer may claim a credit against the tax imposed by this part in  
4       an amount equal to the sum of the amount of cash and the fair  
5       market value of the food items that the taxpayer contributes during  
6       the tax year to a shelter for homeless persons, food kitchen, food

1 bank, or other entity located in this state, the primary purpose of  
2 which is to provide overnight accommodation, food, or meals to  
3 persons who are indigent if a contribution to that entity is tax  
4 deductible under section 170 of the internal revenue code. For a  
5 taxpayer who is a member of a flow-through entity that qualifies  
6 for the credit under this section, that taxpayer may claim a credit  
7 against the member's tax liability under this part based on the  
8 member's distributive share of business income reported from that  
9 flow-through entity or an alternative method approved by the  
10 department.

11 (2) For a taxpayer other than a resident estate or trust, the  
12 maximum credit allowed under this section shall not exceed \$150.00  
13 or \$300.00 for spouses filing a joint return. For a resident estate  
14 or trust, the maximum credit allowed under this section shall not  
15 exceed 10% of the taxpayer's tax liability for the tax year before  
16 claiming any credits allowed by this part or \$7,500.00, whichever  
17 is less.

18 (3) To claim a credit under this section, the taxpayer must  
19 have received a written acknowledgment from the entity to which the  
20 contribution was made. The department may require a taxpayer  
21 claiming the credit under this section to submit a copy of the  
22 written acknowledgment of the contribution with the annual return  
23 filed under this part on which the credit under this section is  
24 being claimed. The written acknowledgment required under this  
25 subsection must include all of the following:

26 (a) The date of the contribution.

27 (b) The amount of cash contributed or the fair market value of  
28 the food items contributed.

29 (c) An attestation that the primary purpose of the entity is

1 to provide overnight accommodation, food, or meals to persons who  
2 are indigent.

3 (d) An attestation that contributions to the entity are  
4 deductible under section 170 of the internal revenue code.

5 (e) An attestation that the entity is in compliance with the  
6 Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2101 to  
7 37.2804.

8 (4) For a resident estate or trust, the amount used to  
9 calculate the credit under this section must not have been deducted  
10 in arriving at federal taxable income.

11 (5) If the amount of the credit allowed under this section  
12 exceeds the tax liability of the taxpayer for the tax year, the  
13 portion that exceeds the tax liability must be refunded.

14 (6) On or before July 1 of each year, the department shall  
15 report to the house and senate committees with jurisdiction over  
16 tax issues the total amount of tax credits claimed under this  
17 section and section 679 for the immediately preceding tax year.

18 (7) As used in this section:

19 (a) "Federal poverty level" means the poverty guidelines  
20 published annually in the Federal Register by the United States  
21 Department of Health and Human Services under its authority to  
22 revise the poverty line under 42 USC 9902.

23 (b) "Persons who are indigent" means persons whose household  
24 income is less than 140% of the applicable federal poverty level.

25 (c) "Primary purpose" means the predominant purpose to which  
26 all operations of the entity are directed, as stated in a mission  
27 statement, organizational document, or other document that  
28 describes the entity's operations, or as established from other  
29 business records of the entity.

1       Sec. 679. (1) For tax years beginning on and after January 1,  
2   2026 and subject to the applicable limitations in this section, a  
3   taxpayer may claim a credit against the tax imposed by this part in  
4   an amount equal to the sum of the amount of cash and the fair  
5   market value of the food items that the taxpayer contributes during  
6   the tax year to a shelter for homeless persons, food kitchen, food  
7   bank, or other entity located in this state, the primary purpose of  
8   which is to provide overnight accommodation, food, or meals to  
9   persons who are indigent if a contribution to that entity is tax  
10   deductible under section 170 of the internal revenue code.

11       (2) The maximum credit allowed under this section shall not  
12   exceed 10% of the taxpayer's tax liability for the tax year before  
13   claiming any credits allowed by this part or \$7,500.00, whichever  
14   is less.

15       (3) To claim a credit under this section, the taxpayer must  
16   have received a written acknowledgment from the entity to which the  
17   contribution was made. The department may require a taxpayer  
18   claiming the credit under this section to submit a copy of the  
19   written acknowledgment of the contribution with the annual return  
20   filed under this part on which the credit under this section is  
21   being claimed. The written acknowledgment required under this  
22   subsection must include all of the following:

23       (a) The date of the contribution.

24       (b) The amount of cash contributed or the fair market value of  
25   the food items contributed.

26       (c) An attestation that the primary purpose of the entity is  
27   to provide overnight accommodation, food, or meals to persons who  
28   are indigent.

29       (d) An attestation that contributions to the entity are

1 deductible under section 170 of the internal revenue code.

2 (e) An attestation that the entity is in compliance with the  
3 Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2101 to  
4 37.2804.

5 (4) The amount used to calculate the credit under this section  
6 must not have been deducted in arriving at federal taxable income.

7 (5) If the amount of the credit allowed under this section  
8 exceeds the tax liability of the taxpayer for the tax year, the  
9 portion that exceeds the tax liability must be refunded.

10 (6) As used in this section:

11 (a) "Federal poverty level" means the poverty guidelines  
12 published annually in the Federal Register by the United States  
13 Department of Health and Human Services under its authority to  
14 revise the poverty line under 42 USC 9902.

15 (b) "Persons who are indigent" means persons whose household  
16 income is less than 140% of the applicable federal poverty level.

17 (c) "Primary purpose" means the predominant purpose to which  
18 all operations of the entity are directed, as stated in a mission  
19 statement, organizational document, or other document that  
20 describes the entity's operations, or as established from other  
21 business records of the entity.