

MICHIGAN BUSINESS TAX ACT (EXCERPT)
Act 36 of 2007

***** 208.1421 THIS SECTION IS REPEALED BY ACT 90 OF 2019 EFFECTIVE FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2031 *****

208.1421 Taxpayer not subject to MCL 206.1 to 206.532; tax credit; charitable contributions; limitation; refund; definitions.

Sec. 421. (1) A taxpayer that is not subject to the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, may claim a credit against the tax imposed by this act, subject to the applicable limitations under this section, equal to 50% of the aggregate amount of charitable contributions made by the taxpayer during the tax year to all of the following:

(a) A public broadcast station as defined by 47 USC 397 that is not affiliated with an institution of higher education.

(b) A public library.

(c) An institution of higher learning located in this state or a nonprofit corporation, fund, foundation, trust, or association organized and operated exclusively for the benefit of an institution of higher learning.

(d) The Michigan colleges foundation.

(e) The Michigan housing and community development fund created in section 3 of the Michigan housing and community development fund act, 2004 PA 479, MCL 125.2823.

(2) The tax credit allowed under this section for a donation under subsection (1)(c) is allowed only if the donee corporation, fund, foundation, trust, or association is controlled or approved and reviewed by the governing board of the institution of higher learning that benefits from the charitable contributions. The nonprofit corporation, fund, foundation, trust, or association shall provide copies of its annual independently audited financial statements to the auditor general of this state and chairpersons of the appropriations committees of the senate and house of representatives.

(3) The credit allowed under this section for any tax year shall not exceed 5% of the tax liability of the taxpayer for that tax year as determined without regard to this section or \$5,000.00, whichever is less.

(4) If the amount of the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion of the credit that exceeds the tax liability shall not be refunded.

(5) As used in this section:

(a) "Institution of higher learning" means an educational institution located within this state meeting all of the following requirements:

(i) Maintains a regular faculty and curriculum and has a regularly enrolled body of students in attendance at the place where its educational activities are carried on.

(ii) Regularly offers education above the twelfth grade.

(iii) Awards associate, bachelor's, master's, or doctoral degrees or any combination of those degrees or higher education credits acceptable for those degrees granted by other institutions of higher learning.

(iv) Is recognized by the state board of education as an institution of higher learning and appears as an institution of higher learning in the annual publication of the department of education entitled "the directory of institutions of higher education".

(b) "Public library" means a public library as defined in section 2 of 1977 PA 89, MCL 397.552.

History: 2007, Act 36, Eff. Jan. 1, 2008.

Compiler's note: Enacting section 1 of Act 36 of 2007 provides:

"Enacting section 1. This act takes effect January 1, 2008 and applies to all business activity occurring after December 31, 2007."

Popular name: MBT