

**SUBSTITUTE FOR  
SENATE BILL NO. 371**

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  
7 21.171 to 21.172.

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



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

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

5 ~~(e) For the 2016 tax year and each tax year after the 2016 tax~~  
6 ~~year, the Michigan junior achievement fund created in section 5 of~~  
7 ~~the Michigan junior achievement fund act, 2016 PA 181, MCL~~  
8 ~~206.1015.~~

9 (e) ~~(f)~~ For the 2016 tax year and each tax year after the 2016  
10 tax year, the American Red Cross Michigan fund created in section 5  
11 of the American Red Cross Michigan fund act, 2016 PA 183, MCL  
12 206.1035.

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

17 (g) ~~(h)~~ For the 2018 tax year and each tax year after the 2018  
18 tax year, the Lions of Michigan Foundation fund created in section  
19 5 of the Lions of Michigan Foundation fund act, **2018 PA 255, MCL**  
20 **206.1045.**

21 (h) ~~(i)~~ For the 2018 tax year and each tax year after the 2018  
22 tax year, the Michigan World War II Legacy Memorial fund created in  
23 section 5 of the Michigan World War II Legacy Memorial fund act,  
24 **2018 PA 257, MCL 206.1085.**

25 (i) ~~(j)~~ For the 2018 tax year and each tax year after the 2018  
26 tax year, the Kiwanis fund created in section 5 of the Kiwanis fund  
27 act, **2018 PA 259, MCL 206.1065.**

28 (j) **For the 2020 tax year and each tax year after the 2020 tax**  
29 **year, the pediatric congenital heart association fund created in**



1 **section 5 of the pediatric congenital heart association fund act.**

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 department shall cease to include a contribution  
22 designation on the contributions schedule if that contribution  
23 designation fails to raise \$50,000.00 in any tax year for 2  
24 consecutive tax years.

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

29 (5) Notwithstanding any other allocations or disbursements



1 required by this act, each year that a contribution designation  
2 under this section is in effect, an amount equal to the cumulative  
3 designation made under this section, less the amount appropriated  
4 to the department to implement this section, shall be appropriated  
5 from the general fund and distributed to the department responsible  
6 for administering the appropriate fund to which the taxpayer  
7 designated his or her contribution and shall be used solely for the  
8 purposes of that fund.

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

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

17 (a) Money appropriated from the contributions made pursuant to  
18 this section shall be distributed as provided in each respective  
19 fund within 1 year and none of the money appropriated pursuant to  
20 this section shall be used for the purpose of administering the  
21 fund.

22 (b) If the fund to which the taxpayer designated his or her  
23 contributions is to be used for donations to multiple organizations  
24 located in this state, the department responsible for administering  
25 that fund shall designate 1 local representative or agency of that  
26 organization to administer and distribute those funds to other  
27 similar organizations in this state as provided in each respective  
28 act that created the fund.

29 (8) When considering whether to grant legislative approval to



1 amend the state individual income tax return to include additional  
2 contribution designations on the contributions schedule, the  
3 legislature shall consider all of the following:

4 (a) Whether the organization serves multiple regions  
5 throughout this state.

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

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

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

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

18 (f) Whether the organization is associated with a nonprofit  
19 charitable organization.

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No. 370 of the 100th Legislature is enacted into  
22 law.

