

# SENATE BILL No. 362

April 2, 2003, Introduced by Senators CASSIS, TOY, GOSCHKA, CROPSEY, PATTERSON, McMANUS, SWITALSKI and GARCIA and referred to the Committee on Finance.

A bill to amend 1979 PA 72, entitled

"An act to require the governor to report certain tax expenditure items with the annual budget message to the legislature,"

by amending the title and sections 1, 2, and 3 (MCL 21.271, 21.272, and 21.273), section 2 as amended by 1996 PA 32 and section 3 as amended by 1983 PA 7.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 TITLE

2 An act to require the governor to report certain tax  
3 ~~expenditure items~~ **information** with the annual budget message to  
4 the legislature.

5 Sec. 1. The governor, with the annual budget message to the  
6 legislature, shall report, at a minimum, the tax ~~expenditure~~  
7 ~~items~~ **credits, deductions, and exemptions** enumerated in this  
8 act. The message shall include tax ~~expenditures~~ **credits,**  
9 **deductions, and exemptions** by budget and also shall contain a

SENATE BILL No. 362

1 separate report on tax ~~expenditures~~ **credits, deductions, and**  
2 **exemptions** in total ~~which~~ **that** may be printed as an appendix to  
3 the budget. The department of treasury shall furnish these items  
4 to the governor for inclusion in the report as required by this  
5 act.

6 Sec. 2. The governor shall report the following ~~tax~~  
7 ~~expenditure items~~ compiled pursuant to the income tax act of  
8 1967, ~~Act No. 281 of the Public Acts of 1967, being sections~~  
9 ~~206.1 to 206.532 of the Michigan Compiled Laws~~ **1967 PA 281, MCL**  
10 **206.1 to 206.532:**

11 (a) Number and amount of personal exemptions by household or  
12 adjusted gross income class.

13 (b) Number of special or extra exemptions by household or  
14 adjusted gross income class.

15 (c) Number and amount of property tax credits by household  
16 or adjusted gross income class and by type of claimant.

17 (d) Number and amount of city income tax credits by  
18 household or adjusted gross income class.

19 (e) Number and amount of tax credits under section 260 of  
20 ~~Act No. 281 of the Public Acts of 1967, being section 206.260 of~~  
21 ~~the Michigan Compiled Laws~~ **the income tax act of 1967, 1967 PA**  
22 **281, MCL 206.260**, by the type and purpose of charitable  
23 contribution, and the household or adjusted gross income class.

24 (f) Number and amount of solar, wind, or water energy  
25 conversion device tax credits by the type of dwelling and the  
26 household or adjusted gross income class.

27 (g) Number and amount of heating fuel cost tax credits by

1 household or adjusted gross income class.

2 (h) Number and amount of gleaning tax credits by household  
3 or adjusted gross income class.

4 (i) Number of positive checkoffs and the amount checked off  
5 for the state campaign fund created pursuant to section 61 of the  
6 Michigan campaign finance act, ~~Act No. 388 of the Public Acts of~~  
7 ~~1976, being section 169.261 of the Michigan Compiled Laws~~ **1976**  
8 **PA 388, MCL 169.261.**

9 (j) Amount and type of subtractions from taxable income as  
10 provided on the state income tax form.

11 (k) To the extent available from published statistical data,  
12 estimated cost of the following items not taxed by this state due  
13 to federal statute or regulation:

14 (i) Capital gains.

15 (ii) Accelerated depreciation.

16 (iii) Other items generally regarded as income that are not  
17 subject to state taxation because of exemption under the internal  
18 revenue code.

19 (l) Number and amount of credits granted to persons covered  
20 by development rights agreements pursuant to part 361 ~~(farmland~~  
21 ~~and open space preservation)~~ of the natural resources and  
22 environmental protection act, ~~Act No. 451 of the Public Acts of~~  
23 ~~1994, being sections 324.36101 to 324.36117 of the Michigan~~  
24 ~~Compiled Laws~~ **1994 PA 451, MCL 324.36101 to 324.36117**, by income  
25 class.

26 (m) Other deductions or credits as provided by law.

27 Sec. 3. The governor shall report the following ~~tax~~

1 ~~expenditure items~~ compiled pursuant to ~~Act No. 228 of the~~  
2 ~~Public Acts of 1975, as amended, being sections 208.1 to 208.145~~  
3 ~~of the Michigan Compiled Laws~~ **the single business tax act, 1975**  
4 **PA 228, MCL 208.1 to 208.145:**

5 (a) Amount of capital investment write off for real and  
6 personal property separately by size of final liability of  
7 taxpayer.

8 (b) Amount of business loss by size of final liability of  
9 taxpayer.

10 (c) Amount of carryforward loss by size of final liability  
11 of taxpayer.

12 (d) Number of taxpayers filing under the gross receipt  
13 limitation provided by section 31(2) of ~~Act No. 228 of the~~  
14 ~~Public Acts of 1975, as amended, being section 208.31 of the~~  
15 ~~Michigan Compiled Laws~~ **the single business tax act, 1975 PA 228,**  
16 **MCL 208.31,** and amount of tax foregone.

17 ~~(e) Number of taxpayers filing under section 31(3) of Act~~  
18 ~~No. 228 of the Public Acts of 1975, as amended, and amount of tax~~  
19 ~~foregone.~~

20 ~~(e) —(f)—~~ Number of taxpayers filing under section ~~31(5)~~  
21 **31(4)** of ~~Act No. 228 of the Public Acts of 1975, as amended~~ **the**  
22 **single business tax act, 1975 PA 228, MCL 208.31,** and amount of  
23 tax foregone.

24 ~~(g) Number of taxpayers filing under section 31(6) of Act~~  
25 ~~No. 228 of the Public Acts of 1975, as amended, and amount of tax~~  
26 ~~foregone.~~

27 ~~(h) Number of taxpayers filing under section 31(7) of Act~~

1 ~~No. 228 of the Public Acts of 1975, as amended, and amount of tax~~  
2 ~~foregone.~~

3 (f) ~~-(i)-~~ Number of taxpayers claiming the basic exemption  
4 under section 35(1)(a) of ~~Act No. 228 of the Public Acts of~~  
5 ~~1975, as amended, being section 208.35 of the Michigan Compiled~~  
6 ~~Laws~~ **the single business tax act, 1975 PA 228, MCL 208.35,** and  
7 amount of tax foregone.

8 (g) ~~-(j)-~~ Number of taxpayers filing for the added exemption  
9 for partnerships as provided in section 35(1)(a) of ~~Act No. 228~~  
10 ~~of the Public Acts of 1975, as amended~~ **the single business tax**  
11 **act, 1975 PA 228, MCL 208.35,** and amount of tax foregone.

12 (h) ~~-(k)-~~ Number of claimants and amount of tax foregone  
13 under section 35(1)(e) of ~~Act No. 228 of the Public Acts of~~  
14 ~~1975, as amended~~ **the single business tax act, 1975 PA 228, MCL**  
15 **208.35.**

16 (i) ~~-(l)-~~ Number of claimants and amount of tax foregone  
17 under section 35(1)(f) of ~~Act No. 228 of the Public Acts of~~  
18 ~~1975, as amended~~ **the single business tax act, 1975 PA 228, MCL**  
19 **208.35.**

20 (j) ~~-(m)-~~ Number of claimants and amount of tax foregone  
21 under section 35(1)(h) of ~~Act No. 228 of the Public Acts of~~  
22 ~~1975, as amended~~ **the single business tax act, 1975 PA 228, MCL**  
23 **208.35.**

24 (k) ~~-(n)-~~ Number of claimants by size of final liability and  
25 amount of tax foregone under section 36 of ~~Act No. 228 of the~~  
26 ~~Public Acts of 1975, being section 208.36 of the Michigan~~  
27 ~~Compiled Laws~~ **the single business tax act, 1975 PA 228, MCL**

1 208.36.

2 (l) ~~-(o)-~~ Number of claimants by size of final liability and  
 3 amount of tax foregone under section 37 of ~~Act No. 228 of the~~  
 4 ~~Public Acts of 1975, as amended, being section 208.37 of the~~  
 5 ~~Michigan Compiled Laws~~ **the single business tax act, 1975 PA 228,**  
 6 **MCL 208.37.**

7 (m) ~~-(p)-~~ Number of claimants by size of final liability and  
 8 amount of tax foregone under section 38 of ~~Act No. 228 of the~~  
 9 ~~Public Acts of 1975, being section 208.38 of the Michigan~~  
 10 ~~Compiled Laws~~ **the single business tax act, 1975 PA 228, MCL**  
 11 **208.38.**

12 (n) ~~-(q)-~~ Number of claimants by size of final liability and  
 13 amount of tax foregone under section 39(1) of ~~Act No. 228 of the~~  
 14 ~~Public Acts of 1975, as amended, being section 208.39 of the~~  
 15 ~~Michigan Compiled Laws~~ **the single business tax act, 1975 PA 228,**  
 16 **MCL 208.39.**

17 ~~-(r) Number of claimants by size of final liability and~~  
 18 ~~amount of tax foregone under section 39(2) of Act No. 228 of the~~  
 19 ~~Public Acts of 1975, as amended.~~

20 ~~——-(s) Number of claimants by size of final liability and~~  
 21 ~~amount of tax foregone under section 39a of Act No. 228 of the~~  
 22 ~~Public Acts of 1975, being section 208.39a of the Michigan~~  
 23 ~~Compiled Laws.~~

24 ~~——-(t) Number of claimants by size of final liability and~~  
 25 ~~amount of tax foregone under section 38a of Act No. 228 of the~~  
 26 ~~Public Acts of 1975, being section 208.38a of the Michigan~~  
 27 ~~Compiled Laws.~~

1 ~~—— (u) Number of claimants by size of final liability and~~  
2 ~~amount of tax foregone under section 57(3) of Act No. 228 of the~~  
3 ~~Public Acts of 1975, as amended, being section 208.57 of the~~  
4 ~~Michigan Compiled Laws.~~

5        ~~(v)~~ **(o)** Other deductions or credits as provided by law.