

HOUSE BILL No. 4193

February 3, 2005, Introduced by Reps. Gaffney, Accavitti, Nofs, Mortimer, Hune, Palsrok, Gleason, Ward, Hildenbrand, Stakoe, Huizenga, Pearce, Elsenheimer, Sak, Lipsey and Taub 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 206.532) by adding section 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 272. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,
2 2004, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED UNDER
3 THIS ACT EQUAL TO THE AMOUNT THAT THE TAXPAYER CONTRIBUTED TO AN
4 EDUCATIONAL FOUNDATION DURING THE TAX YEAR OR \$500.00, WHICHEVER IS
5 LESS.

6 (2) IF THE AMOUNT OF THE CREDIT EXCEEDS THE TAX LIABILITY OF
7 THE TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE CREDIT THAT
8 EXCEEDS THE TAX LIABILITY SHALL BE REFUNDED.

9 (3) AS USED IN THIS SECTION:

1 (A) "EDUCATION FOUNDATION" MEANS AN ORGANIZATION THAT APPLIES
2 TO THE DEPARTMENT FOR CERTIFICATION ON OR BEFORE APRIL 1 OF THE TAX
3 YEAR FOR WHICH THE TAXPAYER IS CLAIMING THE CREDIT, THAT ANNUALLY
4 SUBMITS DOCUMENTATION TO THE DEPARTMENT THAT DEMONSTRATES CONTINUED
5 COMPLIANCE WITH THIS SUBDIVISION IF APPROPRIATE, AND THAT THE
6 DEPARTMENT CERTIFIES FOR THAT TAX YEAR AS MEETING ALL OF THE
7 FOLLOWING REQUIREMENTS:

8 (i) MEETS THE REQUIREMENT OF SECTION 501(C)(3) OF THE INTERNAL
9 REVENUE CODE.

10 (ii) MAINTAINS AN ONGOING PROGRAM TO ATTRACT NEW FUNDS BY
11 SEEKING GIFTS AND BEQUESTS FROM A WIDE RANGE OF POTENTIAL DONORS IN
12 THE COMMUNITY OR AREA SERVED.

13 (iii) DEDICATES ALL FUNDS, GIFTS, AND BEQUESTS EXCLUSIVELY TO A
14 SCHOOL DISTRICT OR PUBLIC SCHOOL.

15 (iv) IS PUBLICLY SUPPORTED AS DEFINED BY THE REGULATIONS OF THE
16 UNITED STATES DEPARTMENT OF TREASURY, 26 CFR 1.170A-9(E)(10).

17 (v) MEETS THE REQUIREMENTS FOR TREATMENT AS A SINGLE ENTITY
18 CONTAINED IN THE REGULATIONS OF THE UNITED STATES DEPARTMENT OF
19 TREASURY, 26 CFR 1.170A-9(E)(11).

20 (B) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT, LOCAL ACT
21 SCHOOL DISTRICT, OR INTERMEDIATE SCHOOL DISTRICT AS THOSE TERMS ARE
22 DEFINED IN THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO
23 380.1852.