

SUBSTITUTE FOR
SENATE BILL NO. 347

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending sections 437 and 440 (MCL 206.437 and 206.440), section
437 as added by 2005 PA 249 and section 440 as amended by 2005 PA
160, and by adding section 435.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 435. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SECTION,
2 FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER THE 2008 TAX YEAR, AN
3 INDIVIDUAL MAY DESIGNATE IN A MANNER AND FORM AS PRESCRIBED BY THE
4 DEPARTMENT PURSUANT TO SUBSECTION (2) ON HIS OR HER ANNUAL RETURN
5 THAT CONTRIBUTIONS OF \$5.00, \$10.00, OR MORE OF HIS OR HER REFUND
6 BE CREDITED TO ANY OF THE FOLLOWING:

7 (A) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX

1 YEAR, THE MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY CREATED IN
2 SECTION 1 OF 1960 PA 77, MCL 390.951, FOR THE CHILDREN OF VETERANS
3 TUITION GRANT PROGRAM CREATED IN THE CHILDREN OF VETERANS TUITION
4 GRANT ACT, 2005 PA 248, MCL 390.1341 TO 390.1346. NO MONEY FROM THE
5 CONTRIBUTIONS DESIGNATED TO THIS SUBDIVISION SHALL BE USED FOR THE
6 PURPOSE OF ADMINISTERING THIS SECTION.

7 (B) FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010 TAX
8 YEAR, THE CHILDREN'S TRUST FUND CREATED IN 1982 PA 249, MCL 21.171
9 TO 21.172.

10 (C) THE PROSTATE CANCER RESEARCH FUND CREATED IN THE PROSTATE
11 CANCER RESEARCH FUND ACT.

12 (D) AMANDA'S FUND FOR BREAST CANCER RESEARCH CREATED IN THE
13 AMANDA'S FUND FOR BREAST CANCER RESEARCH ACT.

14 (E) THE ANIMAL WELFARE FUND CREATED IN THE ANIMAL WELFARE FUND
15 ACT.

16 (F) THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND
17 CREATED IN SECTION 3 OF THE MICHIGAN HOUSING AND COMMUNITY
18 DEVELOPMENT FUND ACT, 2004 PA 479, MCL 125.2823.

19 (2) THE DEPARTMENT SHALL ESTABLISH AND UTILIZE A SEPARATE
20 CONTRIBUTIONS SCHEDULE THAT INCORPORATES EACH CONTRIBUTION
21 DESIGNATION AUTHORIZED UNDER THIS SECTION THAT REMAINS IN EFFECT
22 AND AVAILABLE FOR EACH TAX YEAR AND SHALL REVISE THE STATE
23 INDIVIDUAL INCOME TAX RETURN FORM TO INCLUDE A SEPARATE LINE FOR
24 THE TOTAL CONTRIBUTION DESIGNATIONS MADE UNDER THE SEPARATE
25 CONTRIBUTIONS SCHEDULE. THE CONTRIBUTION DESIGNATIONS AUTHORIZED
26 UNDER SECTIONS 437 AND 440 SHALL REMAIN ON THE FIRST PAGE OF THE
27 STATE INDIVIDUAL INCOME TAX RETURN FOR THE 2008 AND 2009 TAX YEARS,

1 BUT SHALL BE INCORPORATED INTO THE CONTRIBUTIONS SCHEDULE FOR THE
2 2010 TAX YEAR AND SHALL REMAIN ON THE SCHEDULE UNTIL THE
3 CONTRIBUTION DESIGNATION EXPIRES BY LAW OR IS OTHERWISE NO LONGER
4 AVAILABLE AS DETERMINED BY THE DEPARTMENT PURSUANT TO SUBSECTION
5 (3). A CONTRIBUTION DESIGNATION THAT IS ENACTED AFTER THE EFFECTIVE
6 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION SHALL BE
7 INCORPORATED AS SOON AS PRACTICAL ON THE CONTRIBUTIONS SCHEDULE,
8 AND EACH NEW CONTRIBUTION DESIGNATION SHALL BE LISTED ON THE
9 SCHEDULE IN ALPHABETICAL ORDER.

10 (3) THE DEPARTMENT MAY CEASE TO INCLUDE A CONTRIBUTION
11 DESIGNATION ON THE CONTRIBUTIONS SCHEDULE IF THAT CONTRIBUTION
12 DESIGNATION FAILS TO RAISE \$100,000.00 IN ANY TAX YEAR FOR 2
13 CONSECUTIVE TAX YEARS.

14 (4) IF AN INDIVIDUAL'S REFUND IS NOT SUFFICIENT TO MAKE A
15 CONTRIBUTION UNDER THIS SECTION, THE INDIVIDUAL MAY DESIGNATE A
16 CONTRIBUTION AMOUNT AND THAT CONTRIBUTION AMOUNT SHALL BE ADDED TO
17 THE INDIVIDUAL'S TAX LIABILITY FOR THE TAX YEAR.

18 (5) NOTWITHSTANDING ANY OTHER ALLOCATIONS OR DISBURSEMENTS
19 REQUIRED BY THIS ACT, EACH YEAR THAT A CONTRIBUTION DESIGNATION
20 UNDER THIS SECTION IS IN EFFECT, AN AMOUNT EQUAL TO THE CUMULATIVE
21 DESIGNATION MADE UNDER THIS SECTION, LESS THE AMOUNT APPROPRIATED
22 TO THE DEPARTMENT TO IMPLEMENT THIS SECTION, SHALL BE APPROPRIATED
23 FROM THE GENERAL FUND AND DISTRIBUTED TO THE DEPARTMENT RESPONSIBLE
24 FOR ADMINISTERING THE APPROPRIATE FUND TO WHICH THE TAXPAYER
25 DESIGNATED HIS OR HER CONTRIBUTION AND SHALL BE USED SOLELY FOR THE
26 PURPOSES OF THAT FUND.

27 (6) MONEY APPROPRIATED PURSUANT TO AN APPROPRIATIONS ACT AS

1 REQUIRED BY LAW IN ACCORDANCE WITH THIS SECTION TO THE DEPARTMENT
2 RESPONSIBLE FOR ADMINISTERING EACH RESPECTIVE FUND SHALL BE IN
3 ADDITION TO ANY OTHER ALLOCATION OR APPROPRIATION AND IS INTENDED
4 TO ENHANCE APPROPRIATIONS FROM THE GENERAL FUND AND NOT TO REPLACE
5 OR SUPPLANT THOSE APPROPRIATIONS.

6 Sec. 437. (1) For the 2006 tax year and each tax year after
7 the 2006 tax year, an individual may designate on his or her annual
8 return that a contribution of \$2.00 or more of his or her refund be
9 credited to the Michigan higher education assistance authority
10 created in section 1 of 1960 PA 77, MCL 390.951, for the children
11 of veterans tuition grant program created in the children of
12 veterans tuition grant ~~program~~ act, 2005 PA 248, MCL 390.1341 TO
13 390.1346. NOTWITHSTANDING ANY OTHER PROVISION IN THIS SECTION OR
14 SECTION 475, FOR THE 2010 TAX YEAR AND EACH TAX YEAR AFTER THE 2010
15 TAX YEAR, THE CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS
16 SECTION SHALL BE OFFERED AND ADMINISTERED IN ACCORDANCE WITH
17 SECTION 435. If an individual's refund is not sufficient to make a
18 contribution under this section, the individual may designate a
19 contribution amount and that contribution amount shall be added to
20 the individual's tax liability for the tax year.

21 (2) The tax designation authorized in this section shall be
22 clearly and unambiguously printed on the first page of the state
23 individual income tax return forms, if practical. **EFFECTIVE JANUARY**
24 **1, 2010, THE CONTRIBUTION DESIGNATION AUTHORIZED IN THIS SECTION IS**
25 **NO LONGER REQUIRED TO BE PRINTED ON THE FIRST PAGE OF THE STATE**
26 **INDIVIDUAL INCOME TAX RETURN BUT SHALL BE INCORPORATED INTO THE**
27 **CONTRIBUTIONS SCHEDULE CREATED BY THE DEPARTMENT PURSUANT TO**

1 **SECTION 435 AND SHALL REMAIN ON THE SCHEDULE UNTIL THE CONTRIBUTION**
2 **DESIGNATION EXPIRES OR IS OTHERWISE NO LONGER AVAILABLE.**

3 (3) Notwithstanding any other allocations or disbursements
4 required by this act, each year that the contribution designation
5 under this section is in effect, an amount equal to the cumulative
6 contributions made under this section shall be appropriated from
7 the general fund to the children of veterans tuition grant program
8 of the Michigan higher education assistance authority, and the
9 funds shall be distributed for programs allowed under the children
10 of veterans tuition grant act, **2005 PA 248, MCL 390.1341 TO**
11 **390.1346.** No money from the contributions made pursuant to this
12 section shall be used for the purpose of administering this
13 section.

14 Sec. 440. (1) Effective for the tax year beginning January 1,
15 1982 and before January 1, 2005, an individual may designate on his
16 or her annual return that a contribution of \$2.00 or more of his or
17 her refund and for tax years beginning on and after January 1,
18 2005, an individual may designate on his or her annual return that
19 a contribution of \$5.00 or more of his or her refund be credited to
20 the children's trust fund **CREATED IN 1982 PA 249, MCL 21.171 TO**
21 **21.172. NOTWITHSTANDING ANY OTHER PROVISION IN THIS SECTION, FOR**
22 **THE TAX YEARS BEGINNING ON AND AFTER JANUARY 1, 2010, THE**
23 **CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS SECTION SHALL BE**
24 **OFFERED AND ADMINISTERED IN ACCORDANCE WITH SECTION 435.** If a
25 taxpayer's refund is not sufficient to make a contribution under
26 this section, the taxpayer may designate a contribution amount and
27 that contribution amount shall be added to the taxpayer's tax

1 liability for the tax year.

2 (2) The contribution designation authorized in this section
3 shall be clearly and unambiguously printed on the first page of the
4 state individual income tax return. **EFFECTIVE JANUARY 1, 2010, THE**
5 **CONTRIBUTION DESIGNATION AUTHORIZED UNDER THIS SECTION IS NO LONGER**
6 **REQUIRED TO BE PRINTED ON THE FIRST PAGE OF THE STATE INDIVIDUAL**
7 **INCOME TAX RETURN BUT SHALL BE INCORPORATED INTO THE CONTRIBUTIONS**
8 **SCHEDULE CREATED BY THE DEPARTMENT PURSUANT TO SECTION 435 AND**
9 **SHALL REMAIN ON THE SCHEDULE UNTIL THE CONTRIBUTION DESIGNATION**
10 **EXPIRES OR IS OTHERWISE NO LONGER AVAILABLE.**

11 Enacting section 1. This amendatory act does not take effect
12 unless all of the following bills of the 94th Legislature are
13 enacted into law:

- 14 (a) Senate Bill No. 16.
15 (b) Senate Bill No. 348.
16 (c) Senate Bill No. 350.