

HOUSE BILL No. 5723

February 13, 2008, Introduced by Reps. Bieda and Condino and referred to the Committee on Tax Policy.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
(MCL 208.1101 to 208.1601) by adding section 426.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 426. (1) FOR THE 2008 TAX YEAR AND EACH TAX YEAR AFTER
2 2008, A QUALIFIED FINANCIAL INSTITUTION OR TAXPAYER MAY CLAIM A
3 CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 75% OF THE
4 CONTRIBUTIONS MADE BY THE QUALIFIED FINANCIAL INSTITUTION OR BY THE
5 TAXPAYER IN THE TAX YEAR TO THE RESERVE FUND OF A FIDUCIARY
6 ORGANIZATION PURSUANT TO THE INDIVIDUAL OR FAMILY DEVELOPMENT
7 ACCOUNT PROGRAM ACT, 2006 PA 513, MCL 206.701 TO 206.711.

8 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR
9 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS
10 SECTION EXCEED THE TAX LIABILITY OF THE QUALIFIED FINANCIAL

1 INSTITUTION OR TAXPAYER FOR THE TAX YEAR, THE EXCESS SHALL NOT BE
2 REFUNDED, BUT MAY BE CARRIED FORWARD AS AN OFFSET TO THE TAX
3 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 TAX YEARS OR UNTIL THE
4 EXCESS CREDIT IS USED UP, WHICHEVER OCCURS FIRST.

5 (3) THE CREDITS UNDER THIS SECTION AND SECTION 276 OF THE
6 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.276, SHALL NOT EXCEED
7 AN ANNUAL CUMULATIVE MAXIMUM AMOUNT OF \$1,000,000.00. THE
8 DETERMINATION OF THE MAXIMUM ALLOWED UNDER THIS SUBSECTION SHALL BE
9 MADE AS PROVIDED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT
10 PROGRAM ACT, 2006 PA 513, MCL 206.701 TO 206.711.

11 (4) AS USED IN THIS SECTION:

12 (A) "INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT" MEANS AN
13 ACCOUNT ESTABLISHED PURSUANT TO THE INDIVIDUAL OR FAMILY
14 DEVELOPMENT ACCOUNT PROGRAM ACT, 2006 PA 513, MCL 206.701 TO
15 206.711.

16 (B) "FIDUCIARY ORGANIZATION" AND "RESERVE FUND" MEAN THOSE
17 TERMS AS DEFINED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT
18 PROGRAM ACT, 2006 PA 513, MCL 206.701 TO 206.711.

19 (C) "QUALIFIED FINANCIAL INSTITUTION" MEANS A FINANCIAL
20 INSTITUTION AS DEFINED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT
21 ACCOUNT PROGRAM ACT, 2006 PA 513, MCL 206.701 TO 206.711.