

HOUSE BILL NO. 4388

March 19, 2019, Introduced by Rep. Witwer 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 206.713) by adding section 261.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 261. (1) For tax years beginning on and after January 1,**
2 **2019 and subject to the applicable limitations in this section, a**
3 **taxpayer may claim a credit against the tax imposed by this part in**
4 **an amount equal to 50% of the sum of the cash amount and, if food**
5 **items are contributed in conjunction with a program in which a**



1 vendor makes a matching contribution of similar items, the value of
2 those food items, the taxpayer contributes during the tax year to a
3 shelter for homeless persons, food kitchen, food bank, or other
4 entity located in this state, the primary purpose of which is to
5 provide overnight accommodation, food, or meals to persons who are
6 indigent if a contribution to that entity is tax deductible for the
7 donor under the internal revenue code. For a taxpayer other than a
8 resident estate or trust, the maximum credit allowed under this
9 subsection shall not exceed \$100.00, or \$200.00 for a joint return.
10 For a resident estate or trust, the maximum credit allowed under
11 this subsection shall not exceed 10% of the taxpayer's tax
12 liability for the tax year before claiming any credits allowed by
13 this part or \$5,000.00, whichever is less.

14 (2) For tax years beginning on and after January 1, 2019, a
15 taxpayer may claim a credit against the tax imposed by this part
16 for the tax year in an amount, subject to the applicable
17 limitations under this section, equal to 50% of the amount the
18 taxpayer contributes during the tax year to a community foundation.
19 For a taxpayer other than a resident estate or trust, the maximum
20 credit allowed under this subsection shall not exceed \$100.00, or
21 \$200.00 for a joint return. For a resident estate or trust, the
22 maximum credit allowed under this subsection shall not exceed 10%
23 of the taxpayer's tax liability for the tax year before claiming
24 any credits allowed by this part or \$5,000.00, whichever is less.

25 (3) For a resident estate or trust, the amount used to
26 calculate the credits under this section shall not have been
27 deducted in arriving at federal taxable income.

28 (4) If the amount of the credits allowed under this section
29 exceeds the tax liability of the taxpayer for the tax year, the



1 portion that exceeds the tax liability shall not be refunded.

2 (5) An entity other than a community foundation may request
3 that the department determine if a contribution to that entity
4 qualifies for the credit under subsection (2). The department shall
5 make a determination and respond to a request no later than 30 days
6 after the department receives the request.

7 (6) On or before July 1 of each year, the department shall
8 report to the house committee on tax policy and the senate finance
9 committee the total amount of tax credits claimed under this
10 section for the immediately preceding tax year.

11 (7) As used in this section, "community foundation" means an
12 organization that applies for certification on or before May 15 of
13 the tax year for which the taxpayer is claiming the credit and that
14 the department certifies for that tax year as meeting the
15 requirements of a community foundation as provided in section 3 of
16 the Michigan community foundation act, 2017 PA 38, MCL 123.903.
17 However, for purposes of this section, the organization only needs
18 to have assets of at least \$1,000,000.00 to qualify for
19 certification by the department.

