

SENATE BILL NO. 371

June 13, 2019, Introduced by Senators HERTEL, MCCANN, BULLOCK, WOJNO, POLEHANKI, GEISS, ALEXANDER, ANANICH, BAYER, BRINKS, MOSS, RUNESTAD and HOLLIER and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
by amending section 435 (MCL 206.435), as amended by 2018 PA 258.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 435. (1) Except as otherwise provided under this section,
2 an individual may designate in a manner and form as prescribed by
3 the department pursuant to subsection (2) on his or her annual
4 return that contributions of \$5.00, \$10.00, or more of his or her
5 refund be credited to any of the following:

1 (a) The children's trust fund created in 1982 PA 249, MCL
2 21.171 to 21.172.

3 (b) The military family relief fund created in section 3 of
4 the military family relief fund act, 2004 PA 363, MCL 35.1213.

5 (c) The animal welfare fund created in section 3 of the animal
6 welfare fund act, 2007 PA 132, MCL 287.993.

7 (d) The united way fund created in section 3 of the united way
8 fund act, 2008 PA 527, MCL 333.26533.

9 ~~(e) For the 2016 tax year and each tax year after the 2016 tax~~
10 ~~year, the Michigan junior achievement fund created in section 5 of~~
11 ~~the Michigan junior achievement fund act, 2016 PA 181, MCL~~
12 ~~206.1015.~~

13 (e) ~~(f)~~ For the 2016 tax year and each tax year after the 2016
14 tax year, the American Red Cross Michigan fund created in section 5
15 of the American Red Cross Michigan fund act, 2016 PA 183, MCL
16 206.1035.

17 (f) ~~(g)~~ For the 2018 tax year and each tax year after the 2018
18 tax year, the fostering futures scholarship trust fund created in
19 section 3 of the fostering futures scholarship trust fund act, 2008
20 PA 525, MCL 722.1023.

21 (g) ~~(h)~~ For the 2018 tax year and each tax year after the 2018
22 tax year, the Lions of Michigan Foundation fund created in section
23 5 of the Lions of Michigan Foundation fund act, **2018 PA 255, MCL**
24 **206.1045.**

25 (h) ~~(i)~~ For the 2018 tax year and each tax year after the 2018
26 tax year, the Michigan World War II Legacy Memorial fund created in
27 section 5 of the Michigan World War II Legacy Memorial fund act,
28 **2018 PA 257, MCL 206.1085.**

29 (i) ~~(j)~~ For the 2018 tax year and each tax year after the 2018

1 tax year, the Kiwanis fund created in section 5 of the Kiwanis fund
2 act, **2018 PA 259, MCL 206.1065.**

3 **(j) For the 2019 tax year and each tax year after the 2019 tax**
4 **year, the pediatric congenital heart association fund created in**
5 **section 5 of the Ruby Jane act.**

6 (2) Subject to the limitations provided under this subsection,
7 the department shall establish and utilize a separate contributions
8 schedule that incorporates each contribution designation authorized
9 under this section that remains in effect and available for each
10 tax year and shall revise the state individual income tax return
11 form to include a separate line for the total contribution
12 designations made under the separate contributions schedule. The
13 contribution designations authorized under sections 437, 438, and
14 440 shall be incorporated into the contributions schedule for the
15 2010 tax year and shall remain on the schedule until the
16 contribution designation expires by law or is otherwise no longer
17 available as determined by the department pursuant to subsection
18 (3). A contribution designation that is enacted after November 1,
19 2007 shall be incorporated as soon as practical on the
20 contributions schedule, and each new contribution designation shall
21 be listed on the schedule in alphabetical order. The separate
22 contributions schedule required under this section shall include
23 not more than 10 separate contribution designations in any single
24 tax year.

25 (3) The department shall cease to include a contribution
26 designation on the contributions schedule if that contribution
27 designation fails to raise \$50,000.00 in any tax year for 2
28 consecutive tax years.

29 (4) If an individual's refund is not sufficient to make a

1 contribution under this section, the individual may designate a
2 contribution amount and that contribution amount shall be added to
3 the individual's tax liability for the tax year.

4 (5) Notwithstanding any other allocations or disbursements
5 required by this act, each year that a contribution designation
6 under this section is in effect, an amount equal to the cumulative
7 designation made under this section, less the amount appropriated
8 to the department to implement this section, shall be appropriated
9 from the general fund and distributed to the department responsible
10 for administering the appropriate fund to which the taxpayer
11 designated his or her contribution and shall be used solely for the
12 purposes of that fund.

13 (6) Money appropriated pursuant to an appropriations act as
14 required by law in accordance with this section to the department
15 responsible for administering each respective fund shall be in
16 addition to any other allocation or appropriation and is intended
17 to enhance appropriations from the general fund and not to replace
18 or supplant those appropriations.

19 (7) Notwithstanding any other provision of law, all of the
20 following apply:

21 (a) Money appropriated from the contributions made pursuant to
22 this section shall be distributed as provided in each respective
23 fund within 1 year and none of the money appropriated pursuant to
24 this section shall be used for the purpose of administering the
25 fund.

26 (b) If the fund to which the taxpayer designated his or her
27 contributions is to be used for donations to multiple organizations
28 located in this state, the department responsible for administering
29 that fund shall designate 1 local representative or agency of that

1 organization to administer and distribute those funds to other
2 similar organizations in this state as provided in each respective
3 act that created the fund.

4 (8) When considering whether to grant legislative approval to
5 amend the state individual income tax return to include additional
6 contribution designations on the contributions schedule, the
7 legislature shall consider all of the following:

8 (a) Whether the organization serves multiple regions
9 throughout this state.

10 (b) Whether the organization has demonstrated that it is
11 capable of raising more than \$50,000.00 in this state during the
12 tax year through means other than the income tax contribution
13 designation.

14 (c) Whether the organization expends 30% or more of its money
15 to cover administrative and fund-raising costs.

16 (d) Whether the organization had previously been included on
17 the contributions schedule within the last immediately preceding 3
18 years and was removed because it failed to raise a sufficient
19 amount of money as prescribed under subsection (3).

20 (e) Whether the organization receives any other state funds or
21 other type of financial assistance from this state.

22 (f) Whether the organization is associated with a nonprofit
23 charitable organization.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. 370 of the 100th Legislature is enacted into
26 law.