



HOUSE BILL No. 5344

October 31, 1995, Introduced by Reps. Hanley, Profit, Goschka, Martinez, LaForge, Baird, DeMars, Price, Pitoniak, Prusi and Galloway and referred to the Committee on Tax Policy.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled "Single business tax act," as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 36c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 36c to read as follows:

4 SEC. 36C. (1) FOR THE 1995 TAX YEAR AND EACH TAX YEAR AFTER
5 1995, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY
6 THIS ACT EQUAL TO THE CONTRIBUTIONS MADE BY THE TAXPAYER IN THE
7 TAX YEAR OF MONEY, SERVICES, OR MATERIALS TO AN ORGANIZATION
8 EXEMPT FROM FEDERAL TAX UNDER SECTION 501(c)(3) OF THE INTERNAL
9 REVENUE CODE, NOT TO EXCEED \$25,000.00.

1 (2) THE AMOUNT OF A CREDIT FOR A SERVICE CONTRIBUTED SHALL
2 BE THE AMOUNT THAT THE SERVICE WOULD HAVE COST IF THE SERVICE HAD
3 BEEN PURCHASED. THE TAXPAYER MAY USE THE ACTUAL COST THAT THE
4 TAXPAYER WOULD HAVE CHARGED OR THE PREVAILING COST FOR THAT SERV-
5 ICE IN THE COMMUNITY.

6 (3) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX
7 YEAR AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS
8 SECTION EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR,
9 THAT PORTION THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR
10 SHALL NOT BE REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX
11 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP,
12 WHICHEVER OCCURS FIRST.