



**House
Legislative
Analysis
Section**

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**NONCOMMERCIAL
TELECOMMUNICATIONS TAX
CREDIT**

House Bill 4235

Sponsor: Rep. Joanne Voorhees

Committee: Tax Policy

Complete to 2-21-03

A SUMMARY OF HOUSE BILL 4235 AS INTRODUCED 2-18-03

Under the Income Tax Act a taxpayer may claim a tax credit, generally limited to \$100 or individual payers and \$200 for joint payers, equal to 50 percent of the contribution to several charitable organizations, including, among others, a “public broadcast station” as defined under the federal Communications Act of 1934, that is not affiliated with an institution of higher education and that is located within the state. The bill would replace the phrase “public broadcast station” with “public telecommunications entity”, defined under the federal Communications Act of 1934, that is not affiliated with an institution of higher education and that is located within the state.

Under the federal Communications Act of 1934, a “public telecommunications entity” is defined to mean a public broadcast station or noncommercial telecommunications entity that disseminates public telecommunications services to the public. In essence, the bill expands the tax credit to also include contributions made to a noncommercial telecommunications entity.

The federal act defines a “noncommercial telecommunications entity” to mean any enterprise that is owned and operated by a state, political or special purpose subdivision of a state, public agency, or nonprofit private foundation, corporation, or association, that has been organized primarily for the purpose of disseminating audio or video noncommercial educational or cultural programs to the public *by means other than a primary television or radio broadcast station*, including, but not limited to, coaxial cable, optical fiber, broadcast translators, cassettes, discs, microwave, or laser transmission through the atmosphere.

MCL 206.260

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