



**House
Legislative
Analysis
Section**

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**TAX CREDIT FOR PURCHASING
CERTAIN SOFTWARE**

House Bill 4256

Sponsor: Rep. John Stakoe

Committee: Tax Policy

Complete to 2-21-03

A SUMMARY OF HOUSE BILL 4256 AS INTRODUCED 2-19-03

The bill would amend the Income Tax Act to provide for a one-time only tax credit for tax years beginning after December 31, 2002 for the purchase of an Internet filtering program. The tax credit would not exceed \$100, and would be allowable only for the tax year in which the program was purchased. Further, the tax credit would not be refundable (that is, if the credit exceeded the taxpayer's tax liability for the tax year, the excess portion would not be refunded to the taxpayer).

The bill would apply to the purchase of a "filtering program", defined as a computer program that precludes a person from viewing, or limits access to, certain Internet web sites, chat rooms, or other computer files by doing at least one of the following:

- Permitting the user to identify allowable web sites and provides access to only those sites.
- Intercepting certain words or phrases in the web site that are compared with standard lists of objectionable words and phrases, and then blocking out sites containing those words.
- Blocking out web sites based on the Internet addresses.
- Using personalized electronic labeling programs to identify and filter objectionable words, phrases, and web sites.
- Using a standard commercially available rating or filtering system.

MCL 206.270

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