

HOUSE BILL No. 4357

March 18, 2003, Introduced by Reps. Gaffney, Woronchak, Ward, Huizenga, LaJoy, Gleason, Hune, Casperson, DeRossett, Anderson, DeRoche, Tobocman, Nofs, Richardville, Meisner, Vagnozzi, Stewart, Caswell, Nitz, Acciavatti, Emmons, Bisbee, Vander Veen, LaSata, Plakas, Condino, Rocca, Sheen, Walker, Pastor, Amos, Taub, Palmer, Robertson, Milosch, Steil, Pappageorge, Hart, Hager, Wenke, Wojno, Bieda, Caul, Ehardt, Farhat, Palsrok, Stallworth, Stakoe, Farrah, Voorhees and Phillips 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 206.532) by adding section 270.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 270. (1) For tax years that begin after December 31,
2 2002, a taxpayer may claim a credit against the tax imposed under
3 this act equal to the amount that the taxpayer contributed to an
4 educational foundation during the tax year or \$500.00, whichever
5 is less.

6 (2) If the amount of the credit exceeds the tax liability of
7 the taxpayer for the tax year, that portion of the credit that
8 exceeds the tax liability shall be refunded.

9 (3) As used in this section:

10 (a) "Education foundation" means an organization that applies
11 to the department for certification on or before April 1 of the

1 tax year for which the taxpayer is claiming the credit, that
2 annually submits documentation to the department that
3 demonstrates continued compliance with this subdivision if
4 appropriate, and that the department certifies for that tax year
5 as meeting all of the following requirements:

6 (i) Meets the requirement of section 501(c)(3) of the
7 internal revenue code.

8 (ii) Maintains an ongoing program to attract new funds by
9 seeking gifts and bequests from a wide range of potential donors
10 in the community or area served.

11 (iii) Dedicates all funds, gifts, and bequests exclusively to
12 a school district or public school.

13 (iv) Is publicly supported as defined by the regulations of
14 the United States department of treasury, 26
15 C.F.R. 1.170A-9(e)(10).

16 (v) Meets the requirements for treatment as a single entity
17 contained in the regulations of the United States department of
18 treasury, 26 C.F.R. 1.170A-9(e)(11).

19 (b) "School district" means a school district, local act
20 school district, or intermediate school district as those terms
21 are defined in the revised school code, 1976 PA 451, MCL 380.1 to
22 380.1852.