

SUBSTITUTE FOR  
HOUSE BILL NO. 5021

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 36e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 36E. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2006, A QUALIFIED FINANCIAL INSTITUTION OR TAXPAYER MAY CLAIM A  
3        CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO 75% OF THE  
4        CONTRIBUTIONS MADE BY THE QUALIFIED FINANCIAL INSTITUTION OR BY THE  
5        TAXPAYER IN THE TAX YEAR TO THE RESERVE FUND OF A FIDUCIARY  
6        ORGANIZATION PURSUANT TO THE INDIVIDUAL OR FAMILY DEVELOPMENT  
7        ACCOUNT PROGRAM ACT.

8        (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR

1 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED UNDER THIS  
2 SECTION EXCEED THE TAX LIABILITY OF THE QUALIFIED FINANCIAL  
3 INSTITUTION OR TAXPAYER FOR THE TAX YEAR, THE EXCESS SHALL NOT BE  
4 REFUNDED, BUT MAY BE CARRIED FORWARD AS AN OFFSET TO THE TAX  
5 LIABILITY IN SUBSEQUENT TAX YEARS FOR 10 TAX YEARS OR UNTIL THE  
6 EXCESS CREDIT IS USED UP, WHICHEVER OCCURS FIRST.

7 (3) THE CREDITS UNDER THIS SECTION AND SECTION 272 OF THE  
8 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.272, SHALL NOT EXCEED  
9 AN ANNUAL CUMULATIVE MAXIMUM AMOUNT OF \$1,000,000.00. THE  
10 DETERMINATION OF THE MAXIMUM ALLOWED UNDER THIS SUBSECTION SHALL BE  
11 MADE AS PROVIDED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT  
12 PROGRAM ACT.

13 (4) AS USED IN THIS SECTION:

14 (A) "INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT" MEANS AN  
15 ACCOUNT ESTABLISHED PURSUANT TO THE INDIVIDUAL OR FAMILY  
16 DEVELOPMENT ACCOUNT PROGRAM ACT.

17 (B) "FIDUCIARY ORGANIZATION" AND "RESERVE FUND" MEAN THOSE  
18 TERMS AS DEFINED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT  
19 PROGRAM ACT.

20 (C) "QUALIFIED FINANCIAL INSTITUTION" MEANS A FINANCIAL  
21 INSTITUTION AS DEFINED IN THE INDIVIDUAL OR FAMILY DEVELOPMENT  
22 ACCOUNT PROGRAM ACT.

23 Enacting section 1. This amendatory act does not take effect  
24 unless House Bill No. 5027 of the 93rd Legislature is enacted into  
25 law.