

# SENATE BILL No. 641

June 23, 2005, Introduced by Senators THOMAS and HARDIMAN and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1975 PA 228, entitled  
"Single business tax act,"  
(MCL 208.1 to 208.145) by adding section 35d.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 35D. (1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31,  
2        2005, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS  
3        ACT EQUAL TO THE TOTAL OF THE FOLLOWING AMOUNTS:

4        (A) CONTRIBUTIONS MADE IN THE TAX YEAR BY THE TAXPAYER TO AN  
5        INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT, NOT TO EXCEED THE MAXIMUM  
6        ALLOWABLE CONTRIBUTION UNDER SECTION 4 OF THE INDIVIDUAL OR FAMILY  
7        DEVELOPMENT ACCOUNT PROGRAM ACT.

8        (B) CONTRIBUTIONS MADE IN THE TAX YEAR TO THE RESERVE FUND OF  
9        A COMMUNITY DEVELOPMENT ORGANIZATION PURSUANT TO THE INDIVIDUAL OR  
10       FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT IF THE TAXPAYER IS NOT AN  
11       ACCOUNT HOLDER.

12       (2) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
02356'05 \*\*

RJA

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

7 (3) A TAXPAYER MAY ASSIGN ALL OR A PORTION OF A CREDIT ALLOWED  
8 UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS SUBSECTION IS  
9 IRREVOCABLE. A TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN  
10 THE REMAINING CREDIT AMOUNT. AN ASSIGNEE SHALL NOT SUBSEQUENTLY  
11 ASSIGN A CREDIT OR ANY PORTION OF A CREDIT ASSIGNED UNDER THIS  
12 SUBSECTION. THE CREDIT ASSIGNMENT UNDER THIS SUBSECTION SHALL BE  
13 MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE TAXPAYER SHALL  
14 SEND A COPY OF THE COMPLETED ASSIGNMENT FORM TO THE DEPARTMENT IN  
15 THE TAX YEAR IN WHICH THE ASSIGNMENT IS MADE. AN ASSIGNEE SHALL  
16 ATTACH A COPY OF THE COMPLETED ASSIGNMENT FORM TO ITS ANNUAL RETURN  
17 REQUIRED UNDER THIS ACT, FOR THE TAX YEAR IN WHICH THE ASSIGNMENT  
18 IS MADE AND THE ASSIGNEE FIRST CLAIMS A CREDIT, WHICH SHALL BE THE  
19 SAME TAX YEAR.

20 (4) AS USED IN THIS SECTION, "ACCOUNT HOLDER", "COMMUNITY  
21 DEVELOPMENT ORGANIZATION", "INDIVIDUAL OR FAMILY DEVELOPMENT  
22 ACCOUNT", AND "RESERVE FUND" MEAN THOSE TERMS AS DEFINED IN THE  
23 INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT PROGRAM ACT.

24 Enacting section 1. This amendatory act does not take effect  
25 unless all of the following bills of the 93rd Legislature are  
26 enacted into law:

27 (a) Senate Bill No. 640.

1

2 (b) Senate Bill No. 642.

3