

Legislative Analysis



DETROIT COLLEGE PROMISE FUND

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5657

Sponsor: Rep. Lisa L. Howze

Committee: Tax Policy

Complete to 5-25-12

A SUMMARY OF HOUSE BILL 5657 AS INTRODUCED 5-22-12

House Bill 5657 would create a new act to establish the Detroit College Promise Fund to accept donations to the Detroit College Promise Scholarship program.

The bill is tie-barred to House Bill 5001, which would place a check-off box on the state income tax return to allow taxpayers to make voluntary donations to the Fund. The amount of the contribution is deducted from a refund or added to the amount of tax owed (meaning it has no state revenue impact).

Under Section 435, the Department of Treasury has established a separate schedule on the income tax form for contribution designations. House Bill 5001 has been reported from the Tax Policy Committee and is on third reading on the House floor.

Under House Bill 5657, the Detroit College Promise Fund would be created in the Department of Treasury, which would be the administrator of the Fund for auditing purposes and would direct its investments. Money in the Fund that is available for distribution would be appropriated each year, and the money, interest, and earnings would have to be spent solely for donation to the Detroit College Promise Scholarship Program.

FISCAL IMPACT:

The Detroit College Promise Fund would be established to accept voluntary contributions, and thus has no state revenue impact.

Legislative Analyst: Chris Couch
Fiscal Analyst: Rebecca Ross

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