

**SUBSTITUTE FOR  
SENATE BILL NO. 1047**

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 435 (MCL 206.435), as amended by 2012 PA 151.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 435. (1) Except as otherwise provided under this section,  
2       for the 2008 tax year and each tax year after the 2008 tax year, an  
3       individual may designate in a manner and form as prescribed by the  
4       department pursuant to subsection (2) on his or her annual return  
5       that contributions of \$5.00, \$10.00, or more of his or her refund  
6       be credited to any of the following:

7       (a) For the 2010 tax year and each tax year after the 2010 tax  
8       year, the Michigan higher education assistance authority created in  
9       section 1 of 1960 PA 77, MCL 390.951, for the children of veterans

1 tuition grant program created in the children of veterans tuition  
2 grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the  
3 contributions designated to this subdivision shall be used for the  
4 purpose of administering this section.

5 (b) For the 2010 tax year and each tax year after the 2010 tax  
6 year, the children's trust fund created in 1982 PA 249, MCL 21.171  
7 to 21.172.

8 (c) The animal welfare fund created in the animal welfare fund  
9 act, 2007 PA 132, MCL 287.991 to 287.997.

10 (d) For the 2009 tax year and each tax year after the 2009 tax  
11 year, the united way fund created in section 3 of the united way  
12 fund act, 2008 PA 527, MCL 333.26533.

13 (e) For the 2011 tax year and each tax year after the 2011 tax  
14 year, the girl scouts of Michigan fund created in section 3 of the  
15 girl scouts of Michigan fund act, 2010 PA 347, MCL 206.923.

16 **(F) FOR THE 2012 TAX YEAR AND EACH TAX YEAR AFTER THE 2012 TAX**  
17 **YEAR, THE SPECIAL OLYMPICS MICHIGAN FUND CREATED IN SECTION 5 OF**  
18 **THE SPECIAL OLYMPICS MICHIGAN FUND ACT.**

19 **(G) FOR THE 2012 TAX YEAR AND EACH TAX YEAR AFTER THE 2012 TAX**  
20 **YEAR, THE MICHIGAN AMBER ALERT FUND CREATED IN SECTION 5 OF THE**  
21 **MICHIGAN AMBER ALERT ACT, 2002 PA 712, MCL 28.755.**

22 (2) Subject to the limitations provided under this subsection,  
23 the department shall establish and utilize a separate contributions  
24 schedule that incorporates each contribution designation authorized  
25 under this section that remains in effect and available for each  
26 tax year and shall revise the state individual income tax return  
27 form to include a separate line for the total contribution

1 designations made under the separate contributions schedule. The  
2 contribution designations authorized under sections 437, 438, and  
3 440 shall be incorporated into the contributions schedule for the  
4 2010 tax year and shall remain on the schedule until the  
5 contribution designation expires by law or is otherwise no longer  
6 available as determined by the department pursuant to subsection  
7 (3). A contribution designation that is enacted after November 1,  
8 2007 shall be incorporated as soon as practical on the  
9 contributions schedule, and each new contribution designation shall  
10 be listed on the schedule in alphabetical order. The separate  
11 contributions schedule required under this section shall include  
12 not more than 10 separate contribution designations in any single  
13 tax year.

14 (3) The department shall cease to include a contribution  
15 designation on the contributions schedule if that contribution  
16 designation fails to raise \$50,000.00 in any tax year for 2  
17 consecutive tax years.

18 (4) If an individual's refund is not sufficient to make a  
19 contribution under this section, the individual may designate a  
20 contribution amount and that contribution amount shall be added to  
21 the individual's tax liability for the tax year.

22 (5) Notwithstanding any other allocations or disbursements  
23 required by this act, each year that a contribution designation  
24 under this section is in effect, an amount equal to the cumulative  
25 designation made under this section, less the amount appropriated  
26 to the department to implement this section, shall be appropriated  
27 from the general fund and distributed to the department responsible

1 for administering the appropriate fund to which the taxpayer  
2 designated his or her contribution and shall be used solely for the  
3 purposes of that fund.

4 (6) Money appropriated pursuant to an appropriations act as  
5 required by law in accordance with this section to the department  
6 responsible for administering each respective fund shall be in  
7 addition to any other allocation or appropriation and is intended  
8 to enhance appropriations from the general fund and not to replace  
9 or supplant those appropriations.

10 (7) Notwithstanding any other provision of law, all of the  
11 following apply:

12 (a) Money appropriated from the contributions made pursuant to  
13 this section shall be distributed as provided in each respective  
14 fund within 1 year and none of the money appropriated pursuant to  
15 this section shall be used for the purpose of administering the  
16 fund.

17 (b) If the fund to which the taxpayer designated his or her  
18 contributions is to be used for donations to multiple organizations  
19 located in this state, the department responsible for administering  
20 that fund shall designate 1 local representative or agency of that  
21 organization to administer and distribute those funds to other  
22 similar organizations in this state as provided in each respective  
23 act that created the fund.

24 (8) When considering whether to grant legislative approval to  
25 amend the state individual income tax return to include additional  
26 contribution designations on the contributions schedule, the  
27 legislature shall consider all of the following:

1           (a) Whether the organization serves multiple regions  
2 throughout this state.

3           (b) Whether the organization has demonstrated that it is  
4 capable of raising more than \$50,000.00 in this state during the  
5 tax year through means other than the income tax contribution  
6 designation.

7           (c) Whether the organization expends 30% or more of its money  
8 to cover administrative and fund-raising costs.

9           (d) Whether the organization had previously been included on  
10 the contributions schedule within the last immediately preceding 3  
11 years and was removed because it failed to raise a sufficient  
12 amount of money as prescribed under subsection (3).

13           (e) Whether the organization receives any other state funds or  
14 other type of financial assistance from this state.

15           (f) Whether the organization is associated with a nonprofit  
16 charitable organization.