

# SENATE BILL NO. 113

February 09, 2021, Introduced by Senator RUNESTAD and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.713) by adding section 261.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 261. (1) For tax years beginning on and after January 1,  
2       2021 and subject to the applicable limitations in this section, a  
3       taxpayer may claim a credit against the tax imposed by this part in  
4       an amount equal to 50% of the sum of the cash amount and, if food  
5       items are contributed in conjunction with a program in which a

1 vendor makes a matching contribution of similar items, the value of  
2 those food items, the taxpayer contributes during the tax year to a  
3 shelter for homeless persons, food kitchen, food bank, or other  
4 entity located in this state, the primary purpose of which is to  
5 provide overnight accommodation, food, or meals to persons who are  
6 indigent if a contribution to that entity is tax deductible for the  
7 donor under the internal revenue code. For a taxpayer other than a  
8 resident estate or trust, the maximum credit allowed under this  
9 subsection shall not exceed \$100.00, or \$200.00 for a joint return.  
10 For a resident estate or trust, the maximum credit allowed under  
11 this subsection shall not exceed 10% of the taxpayer's tax  
12 liability for the tax year before claiming any credits allowed by  
13 this part or \$5,000.00, whichever is less.

14 (2) For tax years beginning on and after January 1, 2021, a  
15 taxpayer may claim a credit against the tax imposed by this part  
16 for the tax year in an amount, subject to the applicable  
17 limitations under this section, equal to 50% of the amount the  
18 taxpayer contributes during the tax year to a community foundation.  
19 For a taxpayer other than a resident estate or trust, the maximum  
20 credit allowed under this subsection shall not exceed \$100.00, or  
21 \$200.00 for a joint return. For a resident estate or trust, the  
22 maximum credit allowed under this subsection shall not exceed 10%  
23 of the taxpayer's tax liability for the tax year before claiming  
24 any credits allowed by this part or \$5,000.00, whichever is less.

25 (3) For a resident estate or trust, the amount used to  
26 calculate the credits under this section shall not have been  
27 deducted in arriving at federal taxable income.

28 (4) If the amount of the credits allowed under this section  
29 exceeds the tax liability of the taxpayer for the tax year, the

1 portion that exceeds the tax liability shall not be refunded.

2 (5) An entity other than a community foundation may request  
3 that the department determine if a contribution to that entity  
4 qualifies for the credit under subsection (2). The department shall  
5 make a determination and respond to a request no later than 30 days  
6 after the department receives the request.

7 (6) On or before July 1 of each year, the department shall  
8 report to the house committee on tax policy and the senate finance  
9 committee the total amount of tax credits claimed under this  
10 section for the immediately preceding tax year.

11 (7) As used in this section, "community foundation" means an  
12 organization that applies for certification on or before May 15 of  
13 the tax year for which the taxpayer is claiming the credit and that  
14 the department certifies for that tax year as meeting the  
15 requirements of a community foundation as provided in section 3 of  
16 the Michigan community foundation act, 2017 PA 38, MCL 123.901.  
17 However, for purposes of this section, the organization only needs  
18 to have assets of at least \$1,000,000.00 to qualify for  
19 certification by the department.