

INCOME TAX ACT OF 1967 (EXCERPT)

Act 281 of 1967

CHAPTER 8

206.401 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed section pertained to determination of tax, crediting or refunding excess payment, and penalty for deficiency.

206.402 Administration of tax; conflicting provisions.

Sec. 402. The tax imposed by this act shall be administered by the department in accordance with Act No. 122 of the Public Acts of 1941, as amended, and this act. In case of conflict between the provisions of Act No. 122 of the Public Acts of 1941, as amended, and this act, the provisions of this act shall prevail.

History: Add. 1980, Act 169, Eff. Sept. 17, 1980.

206.405 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed section pertained to failure or refusal to file return, report, or statement.

206.408 Records.

Sec. 408. A person liable for any tax imposed under this act shall keep and maintain accurate records in a form as to make it possible to determine the tax due under this act.

History: 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1969, Act 332, Imd. Eff. Nov. 4, 1969;—Am. 1980, Act 169, Eff. Sept. 17, 1980.

206.411 Repealed. 1996, Act 484, Eff. Jan. 1, 1996.

Compiler's note: The repealed section pertained to statute of limitations.

206.421-206.431 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed sections pertained to notice of intent to levy tax, hearing, appeal, notices, collection of tax, jeopardy assessment, actions at law, and liens.

206.435 Contribution designations; separate contributions schedule; cessation by department; insufficient refund to make contribution; appropriation.

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

(a) For the 2010 tax year and each tax year after the 2010 tax year, the Michigan higher education assistance authority created in section 1 of 1960 PA 77, MCL 390.951, for the children of veterans tuition grant program created in the children of veterans tuition grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the contributions designated to this subdivision shall be used for the purpose of administering this section.

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

(c) The prostate cancer research fund created in the prostate cancer research fund act, 2007 PA 135, MCL 333.26241 to 333.26246.

(d) Amanda's fund for breast cancer prevention and treatment created in the Amanda's fund for breast cancer prevention and treatment act, 2007 PA 134, MCL 333.26231 to 333.26237.

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

(f) The Michigan housing and community development fund created in section 58a of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458a.

(g) The Michigan law enforcement officers memorial monument fund created in section 3 of the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.783.

(h) For the 2009 tax year and each tax year after the 2009 tax year, the renewable fuels fund created in section 5a of the motor fuels quality act, 1984 PA 44, MCL 290.645a.

(i) The Michigan council for the arts fund created in section 9 of the history, arts, and libraries act, 2001 PA 63, MCL 399.709.

(j) For the 2009 tax year and each tax year after the 2009 tax year, the foster care trust fund created in section 3 of the foster care trust fund act, 2008 PA 525, MCL 722.1023.

(k) For the 2009 tax year and each tax year after the 2009 tax year, the children's miracle network fund

created in section 5 of the children's miracle network fund act, 2008 PA 557, MCL 333.26565.

(l) For the 2009 tax year and each tax year after the 2009 tax year, the children's hospital of Michigan fund created in section 15 of the children's hospital of Michigan act, 2008 PA 527, MCL 333.26545.

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

(n) For the 2011 tax year and each tax year after the 2011 tax year, the girl scouts of Michigan fund created in section 3 of the girl scouts of Michigan fund act.

(2) The department shall establish and utilize a separate contributions schedule that incorporates each contribution designation authorized under this section that remains in effect and available for each tax year and shall revise the state individual income tax return form to include a separate line for the total contribution designations made under the separate contributions schedule. The contribution designations authorized under sections 437 and 440 shall remain on the first page of the state individual income tax return for the 2008 and 2009 tax years, but shall be incorporated into the contributions schedule for the 2010 tax year and shall remain on the schedule until the contribution designation expires by law or is otherwise no longer available as determined by the department pursuant to subsection (3). A contribution designation that is enacted after November 1, 2007 shall be incorporated as soon as practical on the contributions schedule, and each new contribution designation shall be listed on the schedule in alphabetical order.

(3) The department may cease to include a contribution designation on the contributions schedule if that contribution designation fails to raise \$100,000.00 in any tax year for 2 consecutive tax years.

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

(5) Notwithstanding any other allocations or disbursements required by this act, each year that a contribution designation under this section is in effect, an amount equal to the cumulative designation made under this section, less the amount appropriated to the department to implement this section, shall be appropriated from the general fund and distributed to the department responsible for administering the appropriate fund to which the taxpayer designated his or her contribution and shall be used solely for the purposes of that fund.

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

History: Add. 2007, Act 133, Imd. Eff. Nov. 1, 2007;—Am. 2008, Act 143, Imd. Eff. May 28, 2008;—Am. 2008, Act 162, Imd. Eff. June 16, 2008;—Am. 2008, Act 322, Imd. Eff. Dec. 18, 2008;—Am. 2008, Act 526, Imd. Eff. Jan. 13, 2009;—Am. 2008, Act 558, Imd. Eff. Jan. 16, 2009;—Am. 2008, Act 560, Imd. Eff. Jan. 16, 2009;—Am. 2010, Act 346, Imd. Eff. Dec. 21, 2010.

206.437 Children of veterans tuition grant program; contribution designation.

Sec. 437. (1) For the 2006 tax year and each tax year after the 2006 tax year, an individual may designate on his or her annual return that a contribution of \$2.00 or more of his or her refund be credited to the Michigan higher education assistance authority created in section 1 of 1960 PA 77, MCL 390.951, for the children of veterans tuition grant program created in the children of veterans tuition grant act, 2005 PA 248, MCL 390.1341 to 390.1346. Notwithstanding any other provision in this section or section 475, for the 2010 tax year and each tax year after the 2010 tax year, the contribution designation authorized under this section shall be offered and administered in accordance with section 435. If an individual's refund is not sufficient to make a contribution under this section, the individual may designate a contribution amount and that contribution amount shall be added to the individual's tax liability for the tax year.

(2) The tax designation authorized in this section shall be clearly and unambiguously printed on the first page of the state individual income tax return forms, if practical. Effective January 1, 2010, the contribution designation authorized in this section is no longer required to be printed on the first page of the state individual income tax return but shall be incorporated into the contributions schedule created by the department pursuant to section 435 and shall remain on the schedule until the contribution designation expires or is otherwise no longer available.

(3) Notwithstanding any other allocations or disbursements required by this act, each year that the contribution designation under this section is in effect, an amount equal to the cumulative contributions made under this section shall be appropriated from the general fund to the children of veterans tuition grant program of the Michigan higher education assistance authority, and the funds shall be distributed for programs allowed under the children of veterans tuition grant act, 2005 PA 248, MCL 390.1341 to 390.1346. No money from the contributions made pursuant to this section shall be used for the purpose of administering this section.

History: Add. 2005, Act 249, Imd. Eff. Dec. 1, 2005;—Am. 2007, Act 133, Imd. Eff. Nov. 1, 2007.

206.438 Designation of contribution to the military family relief fund.

Sec. 438. (1) For tax years that begin after December 31, 2003, a taxpayer may designate on his or her annual return that a contribution of \$1.00 or more of his or her refund be credited to the military family relief fund created in section 3 of the military family relief fund act, 2004 PA 363, MCL 35.1213. Notwithstanding any other provision in this section, for the tax years beginning on and after January 1, 2010, the contribution designation authorized under this section shall be offered and administered in accordance with section 435.

(2) If a taxpayer's refund is not sufficient to make a contribution under this section, the taxpayer may designate that the amount designated be added to the taxpayer's tax liability for the tax year.

(3) The contribution designation authorized in this section shall be clearly and unambiguously printed on the first page of all state individual income tax return forms, if practicable. Effective January 1, 2010, the contribution designation authorized in this section is no longer required to be printed on the first page of the state individual income tax return but shall be incorporated into the contributions schedule created by the department pursuant to section 435 and shall remain on the schedule until the contribution designation expires or is otherwise no longer available.

(4) Notwithstanding the other allocations and disbursements required by this act, and each year that the contribution designation is in effect, an amount equal to the cumulative designations made under this section, less the amount appropriated to the department of treasury for the purpose of implementing this section, shall be appropriated from the general fund and distributed each fiscal year to the department of military and veterans affairs to be used as follows:

(a) Twenty percent to the post fund and posthumous fund of the Michigan soldiers' home to be used as provided in 1905 PA 313, MCL 36.61.

(b) Eighty percent to the military family relief fund created in the military family relief fund act, 2004 PA 363, MCL 35.1211 to 35.1216.

(5) Money appropriated pursuant to this section to the department of military and veterans affairs shall be in addition to any allocations and appropriations and is intended to enhance appropriations from the general fund and not to replace or supplant those appropriations.

History: Add. 2004, Act 364, Imd. Eff. Oct. 6, 2004;—Am. 2008, Act 151, Imd. Eff. June 5, 2008.

206.439 Designating portion of tax refund credited to Michigan nongame fish and wildlife trust fund; printing contribution designation on income tax return form; disposition of amount equal to cumulative designations.

Sec. 439. (1) Until the state treasurer certifies that the assets in the nongame fish and wildlife trust fund created in the nongame fish and wildlife trust fund act exceed \$6,000,000.00, a taxpayer may designate on his or her annual return that a contribution of \$2.00 or more of his or her refund be credited to the state of Michigan nongame fish and wildlife trust fund created in part 439 (nongame fish and wildlife trust fund) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.43901 to 324.43907 of the Michigan Compiled Laws. If a taxpayer's refund is not sufficient to make a contribution under this section, the taxpayer may designate a contribution amount and that contribution amount shall be added to the taxpayer's tax liability for the tax year.

(2) The contribution designation authorized in this section shall be clearly and unambiguously printed on the first page of all state individual income tax return forms, if practicable.

(3) Notwithstanding the other allocations and disbursements required by this act, an amount equal to the cumulative designations made under this section, less the amount appropriated to the department of treasury for the purpose of implementing this section, shall be deposited in the state of Michigan nongame fish and wildlife trust fund and shall be appropriated solely for the purposes of the fund.

History: Add. 1983, Act 189, Imd. Eff. Nov. 1, 1983;—Am. 1985, Act 145, Imd. Eff. Nov. 7, 1985;—Am. 1986, Act 286, Eff. Jan. 22, 1987;—Am. 1993, Act 162, Imd. Eff. Sept. 16, 1993;—Am. 1996, Act 55, Imd. Eff. Feb. 26, 1996;—Am. 1996, Act 484, Eff. Jan. 1, 1996.

Compiler's note: Subsection (1) of Section 3 of Act 484 provides:

"Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."

206.440 Children's trust fund; contribution designation.

Sec. 440. (1) Effective for the tax year beginning January 1, 1982 and before January 1, 2005, an individual may designate on his or her annual return that a contribution of \$2.00 or more of his or her refund and for tax years beginning on and after January 1, 2005, an individual may designate on his or her annual return that a contribution of \$5.00 or more of his or her refund be credited to the children's trust fund created

Rendered Monday, June 20, 2011

Page 3 Michigan Compiled Laws Complete Through PA 37 and includes
39-60 of 2011

in 1982 PA 249, MCL 21.171 to 21.172. Notwithstanding any other provision in this section, for the tax years beginning on and after January 1, 2010, the contribution designation authorized under this section shall be offered and administered in accordance with section 435. If a taxpayer's refund is not sufficient to make a contribution under this section, the taxpayer may designate a contribution amount and that contribution amount shall be added to the taxpayer's tax liability for the tax year.

(2) The contribution designation authorized in this section shall be clearly and unambiguously printed on the first page of the state individual income tax return. Effective January 1, 2010, the contribution designation authorized under this section is no longer required to be printed on the first page of the state individual income tax return but shall be incorporated into the contributions schedule created by the department pursuant to section 435 and shall remain on the schedule until the contribution designation expires or is otherwise no longer available.

History: Add. 1982, Act 211, Eff. Sept. 29, 1982;—Am. 1985, Act 156, Imd. Eff. Nov. 15, 1985;—Am. 1996, Act 484, Eff. Jan. 1, 1996;—Am. 2005, Act 160, Imd. Eff. Oct. 3, 2005;—Am. 2007, Act 133, Imd. Eff. Nov. 1, 2007.

Compiler's note: Subsection (1) of Section 3 of Act 484 provides:

"Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."

206.441 Repealed. 1990, Act 285, Eff. Dec. 21, 1990;—1990, Act 344, Imd. Eff. Dec. 21, 1990.

Compiler's note: The repealed section pertained to credit or refund of taxes or penalties.

206.442 Repealed. 1974, Act 308, Eff. Apr. 1, 1975.

Compiler's note: The repealed section pertained to failure or refusal to make refund.

206.451 Certificate of dissolution or withdrawal until taxes paid; payment of taxes as condition to closing of estate.

Sec. 451. (1) A domestic corporation, a foreign corporation, or other business entity authorized to transact business in this state that submits a certificate of dissolution or requests a certificate of withdrawal from this state shall request a certificate from the department stating that taxes are not due under section 27a of 1941 PA 122, MCL 205.27a, not more than 60 days after submitting the certificate of dissolution or requesting the certificate of withdrawal. A corporation or other business entity that does not request a certificate stating that taxes are not due is subject to the same penalties under section 24 of 1941 PA 122, MCL 205.24, that a taxpayer would be subject to for failure to file a return.

(2) An estate of a person subject to tax under this act shall not be closed without the payment of the tax levied by this act, both in respect to the liability of the estate and decedent prior to his or her death.

History: 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1987, Act 254, Imd. Eff. Dec. 28, 1987;—Am. 2002, Act 581, Imd. Eff. Oct. 14, 2002;—Am. 2003, Act 46, Eff. Oct. 1, 2003.

206.455 Records; adequacy, period, examination, penalties for failure to keep.

Sec. 455. Every person shall keep such records, books and accounts as may be necessary to determine the amount of tax for which it is liable under the provisions of this act and as the department may require for a period of 6 years. The records, books and accounts shall be open for examination at any time during regular business hours of the taxpayer by the department and its agents. Any person who violates any provision of this section is guilty of a misdemeanor and shall be fined not more than \$1,000.00 or imprisoned not more than 1 year in the county jail, or both.

History: 1967, Act 281, Eff. Oct. 1, 1967.

206.461-206.466 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed sections pertained to offenses, penalties, enforcement, and confidentiality.

206.471 Administration of tax by department; forms; rules; printing summary of state expenditures and revenues in instruction booklet; space on tax return for school district; information to be provided in instruction booklet about purchase of annual state park motor vehicle permit; listing of credit and deduction; posting of list on website.

Sec. 471. (1) The tax imposed by this act shall be administered by the department. The department shall prescribe forms for use by taxpayers and may promulgate rules for all of the following:

(a) The maintenance by taxpayers of records, books, and accounts.

(b) The computation of the tax.

(c) The manner and time of changing or electing accounting methods and of exercising the accounting method options contained in this act.

(d) The making of returns, the payment of tax due, and the ascertainment, assessment, and collection of the tax.

(2) The rules shall follow the rulings of the United States internal revenue service with respect to the federal income tax if those rulings are not inconsistent with this act, and the department may adopt as a part of the rules any portions of the internal revenue code or rulings, in whole or in part.

(3) A summary of state expenditures and revenues by major category, in dollar amounts and percentage of total, for the most recent state fiscal year that the information is available, shall be printed in the instruction booklet accompanying each state income tax return.

(4) Each state income tax return shall contain a space for the taxpayer to indicate the school district in which the taxpayer resides.

(5) The department may provide information in the instruction booklet about the purchase of an annual state park motor vehicle permit pursuant to part 741 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.74101 to 324.74125.

(6) In the instruction booklet that accompanies the annual return required under this act, the department shall provide a clear and concise listing of each credit and each deduction allowed under this act and a reference to a detailed explanation.

(7) The department shall post the list described in subsection (6) on the department's official website.

History: 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1977, Act 163, Eff. Mar. 30, 1978;—Am. 1991, Act 82, Imd. Eff. July 18, 1991;—Am. 1994, Act 119, Eff. Mar. 30, 1995;—Am. 1996, Act 55, Imd. Eff. Feb. 26, 1996;—Am. 1996, Act 484, Eff. Jan. 1, 1996;—Am. 2002, Act 486, Imd. Eff. June 27, 2002.

Compiler's note: Subsection (1) of Section 3 of Act 484 provides:

“Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996.”

Administrative rules: R 206.1 et seq. of the Michigan Administrative Code.

206.472 Personal income and property tax credit forms and instructions; submission of drafts with explanations of changes.

Sec. 472. Before final printing the department shall submit the draft of the proposed personal income tax forms and instructions and the proposed property tax credit forms and instructions together with explanations of any and all changes from the prior forms and instructions to the house taxation and senate finance committees.

History: Add. 1977, Act 1, Imd. Eff. Feb. 23, 1977.

206.473 Direct deposit of tax refund; form.

Sec. 473. The department shall develop and make available a direct deposit form prescribed by the department to provide for the direct deposit of a refund due to a taxpayer.

History: Add. 1996, Act 568, Eff. Mar. 31, 1997.

206.475 Tax imposed additional to other taxes; disposition of proceeds; allocation and distribution; contribution designation program; appropriation; children's trust fund.

Sec. 475. (1) The tax imposed by this act is in addition to all other taxes for which the taxpayer is liable and the proceeds derived from the tax shall be credited to the general fund to be allocated and distributed as provided in this act.

(2) Each year that the contribution designation program established in section 440 is in effect, an amount equal to the cumulative designations made under section 440 less the annual amount appropriated to the department of treasury for the purpose of administering the children's trust fund and implementing section 440, shall be appropriated from the general fund to the children's trust fund in the department of treasury for use solely in support of the purposes provided in the act that created the children's trust fund.

History: 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1982, Act 211, Eff. Sept. 29, 1982;—Am. 1991, Act 82, Imd. Eff. July 18, 1991;—Am. 1996, Act 484, Eff. Jan. 1, 1996.

Compiler's note: Section 475 of Act 250 of 1978, purporting to amend this section, was submitted to and disapproved by the people as part of Proposal E at the general election held on November 4, 1980.

Subsection (1) of Section 3 of Act 484 provides:

“Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996.”

206.481 Repealed. 1996, Act 342, Eff. Oct. 1, 1996.

Compiler's note: The repealed section pertained to remittances by state disbursing authority to cities, villages, townships, and counties.

206.482 Amounts distributed to local governments, lists for legislators.

Sec. 482. The state disbursing authority on the determination of the amounts to be distributed under the provisions of section 481, shall furnish a list to each member of the house of representatives and the senate showing the amount to be distributed to each county.

History: Add. 1969, Act 332, Imd. Eff. Nov. 4, 1969.

206.483 Repealed. 2002, Act 225, Imd. Eff. Apr. 29, 2002.

Compiler's note: The repealed section pertained to deposit in federal facility development fund.

206.491-206.495 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed sections pertained to computation of taxes and exclusion of business activities tax and income.

206.496 Appropriation.

Sec. 496. There is appropriated to the department for the 1982-1983 state fiscal year from the revenue derived from this act the sum of \$100,000.00 for the purpose of administering and enforcing the requirements of the amendatory act which added this section.

History: Add. 1983, Act 15, Imd. Eff. Mar. 29, 1983.

Compiler's note: Section 2 of Act 15 of 1983 provides: "Because a severe economic recession has caused an actual deficit in state funds, the legislature finds that this amendatory act is necessary to, and it is the purpose of this amendatory act to, meet the actual deficiencies existing in state funds at the time of this enactment."

Former MCL 206.496, also providing for the appropriation of funds, was repealed by Act 169 of 1980.

206.497 Repealed. 1980, Act 169, Eff. Sept. 17, 1980.

Compiler's note: The repealed section pertained to business activities tax repeal.

206.498 Declaration of necessity.

Sec. 498. This act is expressly declared to be necessary to meet established deficiencies, present and future, in state funds.

History: 1967, Act 281, Eff. Oct. 1, 1967.

206.499 Effective date; exceptions.

Sec. 499. This act shall take effect on October 1, 1967, except sections 61 and 71 which shall take effect on January 1, 1968.

History: 1967, Act 281, Eff. Oct. 1, 1967;—Am. 1980, Act 169, Eff. Sept. 17, 1980.