

# HOUSE BILL No. 4788

May 12, 2005, Introduced by Reps. Pearce, Elsenheimer, Taub, Hansen, Palsrok, Jones, Ward, Gaffney, Vander Veen, Farhat, Stewart, Green, Stahl, Pastor, Proos, Walker, Kooiman and Hildenbrand and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 260 (MCL 206.260), as amended by 1996 PA 484.

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

1           Sec. 260. (1) A taxpayer may credit against the tax imposed by  
2 this act for the tax year, an amount, subject to the applicable  
3 limitations provided by this section, equal to 50% of the aggregate  
4 amount of charitable contributions made by the taxpayer during the  
5 tax year to any of the following:

6           (a) This state pursuant to the Faxon-McNamee art in public  
7 places act, ~~Act No. 105 of the Public Acts of 1980, being sections~~  
8 ~~18.71 to 18.81 of the Michigan Compiled Laws~~ **1980 PA 105, MCL**  
9 **18.71 TO 18.81**, of an artwork created by the taxpayer, for display  
10 in a public place.

1 (b) The state art in public places fund created pursuant to  
2 ~~Act No. 105 of the Public Acts of 1980~~ **THE FAXON-MCNAMEE ART IN**  
3 **PUBLIC PLACES ACT, 1980 PA 105, MCL 18.71 TO 18.81.**

4 (c) A municipality in this state of an artwork created by the  
5 personal effort of the taxpayer for display in a public place.

6 (d) Either a municipality of this state or a nonprofit  
7 corporation affiliated with both a municipality and an art  
8 institute located in the municipality, of money or artwork, whether  
9 or not created by the personal effort of the taxpayer, if for the  
10 purpose of benefiting an art institute located in that  
11 municipality.

12 (e) A public library.

13 (f) A public broadcast station as defined by ~~section 397 of~~  
14 ~~subpart d of title III of the communications act of 1934,~~ 47  
15 ~~U.S.C.~~ **USC** 397, that is not affiliated with an institution of  
16 higher education and that is located within this state.

17 (g) An institution of higher learning located within this  
18 state.

19 (h) The Michigan colleges foundation.

20 (i) The state museum.

21 (j) The department of state for the purpose of preservation of  
22 the state archives.

23 (k) A nonprofit corporation, fund, foundation, trust, or  
24 association organized and operated exclusively for the benefit of  
25 institutions of higher learning located within this state. A tax  
26 credit for a contribution described in this subdivision is  
27 permitted only if the donee corporation, fund, foundation, trust,

1 or association is controlled or approved and reviewed by the  
2 governing board of the institution benefiting from the charitable  
3 contribution. The nonprofit corporation, fund, foundation, trust,  
4 or association shall provide copies of its annual independently  
5 audited financial statements to the auditor general of this state  
6 and chairpersons of the senate and house appropriations committees.

7 **(1) FOR TAX YEARS THAT BEGIN AFTER DECEMBER 31, 2004, A PUBLIC**  
8 **SCHOOL OR PUBLIC SCHOOL ACADEMY LOCATED IN THIS STATE.**

9 (2) For a taxpayer other than a resident estate or trust, the  
10 amount allowable as a credit under this section for a tax year  
11 shall not exceed \$100.00, or for a husband and wife filing a joint  
12 return as provided in section 311, \$200.00.

13 (3) For a resident estate or trust, the amount allowable as a  
14 credit under this section for a tax year shall not exceed 10% of  
15 the tax liability for the year as determined without regard to this  
16 section or \$5,000.00, whichever is less and shall not have been  
17 deducted in arriving at federal taxable income.

18 (4) As used in this section:

19 (a) "Institution of higher learning" means only an educational  
20 institution located within this state that meets all of the  
21 following requirements:

22 (i) It maintains a regular faculty and curriculum and has a  
23 regularly enrolled body of students in attendance at the place  
24 where its educational activities are carried on.

25 (ii) It regularly offers education above the twelfth grade.

26 (iii) It awards associate, bachelors, masters, or doctoral  
27 degrees or a combination of those degrees or higher education

1 credits acceptable for those degrees granted by other institutions  
2 of higher learning.

3 (iv) It is recognized by the state board of education as an  
4 institution of higher learning and appears as an institution of  
5 higher learning in the annual publication of the department of  
6 education entitled "The Directory of Institutions of Higher  
7 Education".

8 (b) "Public library" means that term as defined in section 2  
9 of the state aid to public libraries act, ~~Act No. 89 of the Public~~  
10 ~~Acts of 1977, being section 397.552 of the Michigan Compiled Laws~~  
11 **1977 PA 89, MCL 397.552.**

12 (c) "Contributions made by the taxpayer" means, but is not  
13 limited to, the fair market value of artwork created by the  
14 personal effort of the taxpayer that is donated to and accepted as  
15 a donation by a qualified organization. The fair market value of a  
16 piece of artwork shall be determined at the time of the donation by  
17 independent appraisal.

18 (d) "Artwork" means an original, visual creation of quality  
19 executed in any size or shape, in any media, using any kind or type  
20 of materials.

21 **(E) "PUBLIC SCHOOL" AND "PUBLIC SCHOOL ACADEMY" MEAN THOSE**  
22 **TERMS AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, 1976 PA**  
23 **451, MCL 380.5.**

24 (5) The sum of the credits allowed by section 257 and this  
25 section shall not exceed the tax liability of the taxpayer.