

SENATE BILL No. 476

October 6, 1987, Introduced by Senators DINGELL, SHINKLE, POSTHUMUS, CARL, MILLER, DE GROW, WELBORN, SCHWARZ, ARTHURHULTZ, CHERRY, J. HART, IRWIN, GEO. HART, FAUST and HOLMES and referred to the Committee on Finance.

A bill to amend Act No. 228 of the Public Acts of 1975, entitled "Single business tax act," as amended, being sections 208.1 to 208.145 of the Michigan Compiled Laws, by adding section 38c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 228 of the Public Acts of 1975, as
2 amended, being sections 208.1 to 208.145 of the Michigan Compiled
3 Laws, is amended by adding section 38c to read as follows:

4 SEC. 38C. (1) SUBJECT TO THE LIMITATIONS IN SUBSECTION (2),
5 A TAXPAYER THAT IS NOT SUBJECT TO THE INCOME TAX ACT OF 1967, ACT
6 NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO
7 206.532 OF THE MICHIGAN COMPILED LAWS, MAY CREDIT AGAINST THE TAX
8 IMPOSED BY THIS ACT 50% OF THE AMOUNT THE TAXPAYER CONTRIBUTES
9 DURING THE TAXABLE YEAR TO A COMMUNITY FOUNDATION.

1 (2) THE CREDIT ALLOWED BY THIS SECTION SHALL NOT EXCEED THE
2 LESSER OF 5% OF THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR
3 BEFORE CLAIMING ANY CREDITS ALLOWED BY THIS ACT OR \$5,000.00.
4 THE CREDIT ALLOWED BY THIS SECTION SHALL NOT EXCEED THE TAX
5 LIABILITY OF THE TAXPAYER.

6 (3) AS USED IN THIS SECTION, "COMMUNITY FOUNDATION" MEANS AN
7 ORGANIZATION THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

8 (A) QUALIFIES FOR EXEMPTION FROM FEDERAL INCOME TAXATION
9 UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE.

10 (B) MEETS THE REQUIREMENTS OF SECTION 170(b)(1)(A)(vi) AS
11 IMPLEMENTED BY THE REGULATIONS OF THE UNITED STATES DEPARTMENT OF
12 TREASURY, 26 C.F.R. 1.170A-9(e).