

# SENATE BILL NO. 625

September 01, 2021, Introduced by Senators LASATA, VICTORY and POLEHANKI and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
by amending section 435 (MCL 206.435), as amended by 2018 PA 258.

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

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

1 (a) The children's trust fund created in 1982 PA 249, MCL  
2 21.171 to 21.172.

3 (b) The military family relief fund created in section 3 of  
4 the military family relief fund act, 2004 PA 363, MCL 35.1213.

5 (c) The animal welfare fund created in section 3 of the animal  
6 welfare fund act, 2007 PA 132, MCL 287.993.

7 (d) The united way fund created in section 3 of the united way  
8 fund act, 2008 PA 527, MCL 333.26533.

9 ~~(e) For the 2016 tax year and each tax year after the 2016 tax~~  
10 ~~year, the Michigan junior achievement fund created in section 5 of~~  
11 ~~the Michigan junior achievement fund act, 2016 PA 181, MCL~~  
12 ~~206.1015.~~

13 ~~(e) (f) For the 2016 tax year and each tax year after the 2016~~  
14 ~~tax year, the **The** American Red Cross Michigan fund created in~~  
15 ~~section 5 of the American Red Cross Michigan fund act, 2016 PA 183,~~  
16 ~~MCL 206.1035.~~

17 ~~(g) For the 2018 tax year and each tax year after the 2018 tax~~  
18 ~~year, the fostering futures scholarship trust fund created in~~  
19 ~~section 3 of the fostering futures scholarship trust fund act, 2008~~  
20 ~~PA 525, MCL 722.1023.~~

21 ~~(h) For the 2018 tax year and each tax year after the 2018 tax~~  
22 ~~year, the Lions of Michigan Foundation fund created in section 5 of~~  
23 ~~the Lions of Michigan Foundation fund act.~~

24 ~~(i) For the 2018 tax year and each tax year after the 2018 tax~~  
25 ~~year, the Michigan World War II Legacy Memorial fund created in~~  
26 ~~section 5 of the Michigan World War II Legacy Memorial fund act.~~

27 ~~(j) For the 2018 tax year and each tax year after the 2018 tax~~  
28 ~~year, the Kiwanis fund created in section 5 of the Kiwanis fund~~  
29 ~~act.~~

1           **(f) For the 2022 tax year and each tax year after 2022, the**  
2 **Michigan law enforcement officers memorial monument fund created in**  
3 **section 3 of the Michigan law enforcement officers memorial act,**  
4 **2004 PA 177, MCL 28.783.**

5           (2) Subject to the limitations provided under this subsection,  
6 the department shall establish and utilize a separate contributions  
7 schedule that incorporates each contribution designation authorized  
8 under this section that remains in effect and available for each  
9 tax year and shall revise the state individual income tax return  
10 form to include a separate line for the total contribution  
11 designations made under the separate contributions schedule. The  
12 contribution designations authorized under sections 437, 438, and  
13 440 shall be incorporated into the contributions schedule for the  
14 2010 tax year and shall remain on the schedule until the  
15 contribution designation expires by law or is otherwise no longer  
16 available as determined by the department pursuant to subsection  
17 (3). A contribution designation that is enacted after November 1,  
18 2007 shall be incorporated as soon as practical on the  
19 contributions schedule, and each new contribution designation shall  
20 be listed on the schedule in alphabetical order. The separate  
21 contributions schedule required under this section shall include  
22 not more than 10 separate contribution designations in any single  
23 tax year.

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

28           (4) If an individual's refund is not sufficient to make a  
29 contribution under this section, the individual may designate a

1 contribution amount and that contribution amount shall be added to  
2 the individual's tax liability for the tax year.

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

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

18 (7) Notwithstanding any other provision of law, all of the  
19 following apply:

20 (a) Money appropriated from the contributions made pursuant to  
21 this section shall be distributed as provided in each respective  
22 fund within 1 year and none of the money appropriated pursuant to  
23 this section shall be used for the purpose of administering the  
24 fund.

25 (b) If the fund to which the taxpayer designated his or her  
26 contributions is to be used for donations to multiple organizations  
27 located in this state, the department responsible for administering  
28 that fund shall designate 1 local representative or agency of that  
29 organization to administer and distribute those funds to other

1 similar organizations in this state as provided in each respective  
2 act that created the fund.

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

7 (a) Whether the organization serves multiple regions  
8 throughout this state.

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

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

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

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

21 (f) Whether the organization is associated with a nonprofit  
22 charitable organization.