

SENATE BILL No. 355

April 1, 2003, Introduced by Senators GILBERT, TOY, CROPSEY, ALLEN, SANBORN, GARCIA, KUIPERS, VAN WOERKOM, BASHAM, GOSCHKA, McMANUS, STAMAS, BIRKHOLZ, BISHOP and OLSHOVE and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 510 (MCL 206.510), as amended by 1995 PA 245.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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1 Sec. 510. (1) "Income" means the sum of federal adjusted
 2 gross income as defined in the internal revenue code plus all
 3 income specifically excluded or exempt from the computations of
 4 the federal adjusted gross income except that beginning with the
 5 1988 tax year, a deduction for a carryback or carryover of a net
 6 operating loss shall not exceed federal modified taxable income
 7 as defined in section 172(b)(2) of the internal revenue code.
 8 Also, a person who is enrolled in an accident or health insurance
 9 plan may deduct from income the amount that person paid in
 10 premiums in the tax year for that insurance plan for the person's

1 family. Income does not include any of the following:

2 (a) The first \$300.00 of gifts in cash or kind from
3 nongovernmental sources.

4 (b) The first \$300.00 received from awards, prizes, lottery,
5 bingo, or other gambling winnings.

6 (c) Surplus foods.

7 (d) Relief in kind supplied by a governmental agency.

8 (e) Payments or credits under this act.

9 (f) A governmental grant that has to be used by the claimant
10 for rehabilitation of the claimant's homestead.

11 (g) Stipends received by a person 60 years of age or older
12 who is acting as a foster grandparent under the foster
13 grandparent program authorized pursuant to section 211 of part B
14 of title II of the domestic volunteer service act of 1973, Public
15 Law 93-113, 42 U.S.C. 5011, or who is acting as a senior
16 companion pursuant to section 213 of part C of title II of the
17 domestic volunteer service act of 1973, Public Law 93-113, 42
18 U.S.C. 5013.

19 (h) Amounts deducted from monthly social security or railroad
20 retirement benefits for medicare premiums.

21 (i) Contributions by an employer to life, accident, or health
22 insurance plans.

23 (j) Energy assistance grants and energy assistance tax
24 credits.

25 **(k) For tax years that begin after December 31, 2002,**
26 **military service connected disability compensation benefits.**

27 (2) "Owner" means a natural person who owns or is purchasing

1 a homestead under a mortgage or land contract, who owns or is
2 purchasing a dwelling situated on the leased lands of another, or
3 who is a tenant-stockholder of a cooperative housing
4 corporation.