

CITY OF EAST LANSING INCOME TAX ORDINANCE

As of October 29, 2018

Chapter 41 - TAXATION—CITY INCOME TAX

Sec. 41-1. - [Uniform city income tax ordinance by reference.]

The uniform city income tax ordinance, being chapter 2 of Act 284 of the Public Acts of 1964, as amended (MCL 141.601 et seq.), a true copy of which is on file in the office of the city clerk, be and the same is hereby enacted by reference as if set out herein in its entirety.

(Ord. No. 1413, 6-20-2017)

Sec. 41-2. - [Rate of tax.]

As provided at section 3 of Act 284 of the Public Acts of 1964 [MCL 141.503(1)], the rate of tax shall be as follows:

Subject to the exclusions, adjustments, exemptions and deductions herein provided, an annual tax of one percent on corporations and resident individuals and one-half percent on nonresident individuals for general revenue purposes is hereby imposed as an excise on income earned and received on and after the effective date of this ordinance.

(Ord. No. 1413, 6-20-2017)

Sec. 41-3. - [Exemptions.]

Pursuant to section 31 of Act 284 of the Public Acts of 1964, as amended (MCL 141.631), the exemptions permitted pursuant to the City of East Lansing's Michigan Uniform City Income Tax Ordinance shall be as follows:

- (1) An individual taxpayer in computing his or her taxable income is allowed deductions for personal and dependency exemptions in the amount of \$600.00 for each personal and dependency exemption under the rules for determining exemptions and dependents as provided in part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532. The taxpayer may claim his or her spouse and dependents as exemptions, but if the taxpayer and the spouse are both subject to the tax imposed by this ordinance, the number of exemptions claimed by each of them when added together shall not exceed the total number of exemptions allowed under this chapter.
- (2) An additional exemption is allowed under subsection (1) for a taxpayer who is 65 years of age or older, a taxpayer who is blind as defined in section 504 of the Income Tax Act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.504 of the Michigan Compiled Laws, a taxpayer who is a paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled person as defined in section 216 of title II of the Social Security Act, 42 U.S.C. 416, or a taxpayer who is a deaf person as defined in section 2 of the Deaf Persons' Interpreters Act, Act No. 204 of the Public Acts of 1982, being section 393.502 of the Michigan Compiled Laws. If the taxpayer qualifies for an additional exemption under more than one of the following, an additional exemption is allowed for each of the following for which the taxpayer qualifies:
 - (a) A taxpayer who is a paraplegic, quadriplegic, or hemiplegic, or who is a totally or permanently disabled person as defined in section 216 of title II of the Social Security Act, 42 U.S.C. 416.
 - (b) A taxpayer who is blind as defined in section 504 of the Income Tax Act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.504 of the Michigan Compiled Laws.
 - (c) A taxpayer who is a deaf person as defined in section 2 of the Deaf Persons' Interpreters Act, Act No. 204 of the Public Acts of 1982, being section 393.502 of the Michigan Compiled Laws.

(d) A taxpayer who is 65 years of age or older.

- (3) Additionally, for a taxpayer to whom a deduction under part 1 of the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.3532 is allowable to another taxpayer during the tax year and is therefore not considered to have a personal exemption under paragraph (1) above, if the adjusted gross income for a taxpayer for a tax year is less than \$5,000.00 that taxpayer is exempt from paying income tax under this chapter.

(Ord. No. 1413, 6-20-2017; Ord. No. 1415, 10-10-2017; Ord. No. 1436, 7-17-2018)

Sec. 41-4. - [Copies on file in office.]

Printed copies of said uniform city income tax ordinance shall be kept in the office of the city clerk, available for inspection by the public at all times.

(Ord. No. 1413, 6-20-2017)

Sec. 41-5. - [Effective after approval.]

Pursuant to section 2a of Act 284 of the Public Acts of 1964 (MCL 141.502a), the imposition of an excise tax on income under this ordinance shall not take effect until this ordinance is approved by the qualified and registered electors of the City of East Lansing.

(Ord. No. 1413, 6-20-2017)