

Legislative Analysis



INCOME TAX: INCLUDE FETUS AS DEPENDENT

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House Bill 5684

Sponsor: Rep. Lisa Posthumus Lyons

House Bill 5685

Sponsor: Rep. Jud Gilbert, II

Committee: Tax Policy

Complete to 11-19-12

A SUMMARY OF HOUSE BILLS 5684 & 5685 AS INTRODUCED 5-29-12

House Bill 5684 would amend Section 30e of the Income Tax Act to allow taxpayers to claim a dependency exemption for a fetus that has completed at least 12 weeks of gestation as of the last day of the tax year and that has been under the care and observation of a physician since at least 12 weeks of gestation. The period of gestation would have to be determined by a physician.

House Bill 5685 would amend Section 30 of the Income Tax Act to make a complementary amendment. Currently, the act allows a personal exemption multiplied by "the number of personal or dependency exemptions allowable on the taxpayer's federal income tax return" under the federal Internal Revenue Code. Under the bill, the exemption would instead be multiplied by "the number of personal or dependent exemptions claimed on the taxpayer's [state] income tax return." (The personal exemption is \$3,950 for the 2013 tax year and \$4,000 for the 2014 tax year and subsequent years.)

The two bills are tie-barred to one another, meaning neither could take effect unless both were enacted.

FISCAL IMPACT:

As written, the bills would initially be expected to reduce individual income tax revenue by an estimated \$5.0 million to \$10.0 million on an annual basis.

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