SENATE BILL No. 750

Introduced by Senators KNOLLENBERG and BRANDENBURG and referred to the Committee on Finance.

A bill to amend 1964 PA 284, entitled
"City income tax act,"
by amending section 31 (MCL 141.631), as amended by 1988 PA 120.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 31. (1) An individual taxpayer in computing his or her taxable income is allowed deductions for the full personal and dependency exemptions authorized by the federal internal revenue code IF THE EXEMPTION AMOUNT PURSUANT TO THE INTERNAL REVENUE CODE WAS GREATER THAN ZERO or, on the passage of a further ordinance, a deduction of a minimum of $600.00 for each personal and dependency exemption under the rules for determining exemptions and dependents as provided in the federal internal revenue code REGARDLESS OF THE AMOUNT OF THE EXEMPTION UNDER THE INTERNAL REVENUE CODE. 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 ordinance.

(2) For tax years beginning after 1986, an AN additional
exemption is allowed under subsection (1), upon passage of a
further ordinance, for a taxpayer who is 65 years of age or older,
or 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, 1967 PA 281, MCL 206.504, or if the
taxpayer is both 65 years of age or older and blind, 2 additional
exemptions are allowed under subsection (1). For tax years
beginning after 1987, upon UPON passage of a further ordinance, an
additional exemption is allowed under subsection (1) for a taxpayer
who is a paraplegic, quadriplegic, hemiplegic, or totally and
permanently disabled person as DISABILITY IS defined in section 216
of title II of the social security act, 42 U.S.C. USC 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, 1982 PA 204,
MCL 393.502. If the taxpayer qualifies for an additional exemption
under more than 1 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
DISABILITY IS defined in section 216 of title II of the social

(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. 1982 PA 204, MCL 393.502.

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

(3) For tax years beginning after 1986 and upon passage of a further ordinance, a city, as determined by its governing body, may provide for either an exemption from the tax levied under this act if that person's adjusted gross income for that tax year is less than a certain amount to be as specified by the ordinance, or an exemption in an amount to be specified by the ordinance, for a person with respect to whom a deduction under section 151 of the internal revenue code is allowable, OR WOULD BE ALLOWABLE IF THE EXEMPTION AMOUNT WAS GREATER THAN ZERO, to another federal taxpayer during the tax year and is therefore not considered to have a federal personal exemption under subsection (1).