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## SENIOR CITIZEN DEDUCTION

**House Bill 5546**

**Sponsor: Rep. Barbara Dobb**

**Committee: Tax Policy**

**Complete to 3-27-98**

### **A SUMMARY OF HOUSE BILL 5546 AS INTRODUCED 2-5-98**

Recent legislation (Public Acts 230 and 291 of 1995) amended the Income Tax Act to increase the deduction senior citizens can take from adjusted gross income for interest, dividends, and capital gains from \$1,000 for a single return and \$2,000 for a joint return to \$3,500 and \$7,000 for the 1997 tax year and \$7,500 and \$15,000 for tax years thereafter. House Bill 5546 would increase the deduction to \$30,000 for a single return and \$60,000 for a joint return for tax years after the 1997 tax year.

As now, the amount deducted would have to be reduced by the amount of any deductions for pension and retirement income. The term "senior citizen" refers to a person 65 years of age or older or an unremarried surviving spouse.

The bill also would move a recently enacted "child care" deduction from one place to another in the Income Tax Act.

MCL 206.30

**House Bill 5546 (3-27-98)**

Analyst: C. Couch

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.