

INCREASE PERSONAL EXEMPTION

House Bill 4230
Sponsor: Rep. Ken Bradstreet
Committee: Tax Policy

Complete to 8-15-01

A SUMMARY OF HOUSE BILL 4230 AS INTRODUCED 2-14-01

The bill would amend the Income Tax Act to increase the personal exemption each year from 2001 through 2003. The act allows a taxpayer to reduce taxable income by multiplying the number of personal or dependency exemptions allowed on the federal income tax form by a certain specified amount. In the 2000 tax year, the personal exemption was \$2,900. It is adjusted each year based on the change in the U.S. consumer price index and rounded to the nearest \$100. Under House Bill 4230, the personal exemption would be \$4,000 for 2001; \$5,000 for 2002; and \$6,000 for 2003. After that, the exemption would once again be adjusted annually based on the change in the consumer price index.

MCL 206.30

House Bill 4230 (8-15-01)

Analyst: C. Couch

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