

## **ADDITIONAL EXEMPTION FOR TAXPAYER WITH STILLBIRTH CERTIFICATE**

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**House Bill 4522 as enacted**  
**Public Act 589 of 2018**  
**Sponsor: Rep. Mary Whiteford**  
**House Committee: Tax Policy**  
**Senate Committee: Finance**  
**Complete to 2-11-19**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 4522 amends the Income Tax Act to allow a taxpayer to claim an additional exemption in a tax year in which the taxpayer has a certificate of stillbirth from the Department of Health and Human Services, as provided under the Public Health Code. The exemption would be available for tax years beginning on and after January 1, 2019.

MCL 206.30

### **BRIEF BACKGROUND:**

Under current law, the personal exemption will be \$4,400 for the 2019 tax year, \$4,750 for 2020, and \$4,900 for 2021. An exemption reduces taxable income.

Public Act 319 of 2006 amended the Income Tax Act to provide for a refundable tax credit for a taxpayer who had a stillbirth certificate. The credit was in an amount equal to 4.50% of the personal exemption amount, rounded to the nearest \$10 increment.<sup>1</sup> A tax credit reduces tax liability. Public Act 38 of 2011 eliminated the credit.

### **FISCAL IMPACT:**

During the last two tax years for which the stillbirth credit was available to filers, credits were claimed on fewer than 300 returns each year, and the total value of the credits claimed was about \$51,000 in the 2010 tax year and \$47,000 in the 2011 tax year. Similar or moderately higher fiscal impacts would be expected going forward.

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

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<sup>1</sup> Since the individual income tax rate is 4.25%, the additional personal exemption proposed in the bill is similar in financial effect to the prior credit of 4.50% of the personal exemption amount.