

Legislative Analysis



INCLUDE FETUS AS DEPENDENT IN CERTAIN CASES

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House Bill 4644 (proposed substitute H-1)
Sponsor: Rep. Rodney Wakeman
Committee: Families, Children and Seniors
Complete to 5-10-21

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

SUMMARY:

House Bill 4644 would amend Part 1 of the Income Tax Act to provide for a dependency exemption for a fetus under certain circumstances.

The act currently allows a taxpayer to claim the following \$3,700 exemptions against taxable income:

- A personal exemption.
- A dependency exemption for each individual who is a dependent of the taxpayer for the tax year.
- For tax years beginning on and after January 1, 2019, an additional exemption for a certificate of stillbirth from the tax year.

Under the bill, for tax years beginning on and after January 1, 2022, a taxpayer who is at least 12 weeks pregnant as of the last day of the tax year and who has been under the care and observation of a physician since at least the twelfth week of pregnancy could claim an additional exemption for that tax year.

To claim the exemption under the bill, the taxpayer would have to request a signed and dated medical statement from her physician verifying that she is at least 12 weeks pregnant as of the last day of the tax year. The taxpayer would also have to attach the medical statement to the annual return for the year for which the exemption is claimed.

MCL 206.30

FISCAL IMPACT:

Based on the average number of live births in Michigan (and adjusting for twins, triplets, etc.), assuming they are evenly distributed throughout the year, the bill would reduce income tax revenue by roughly \$11 to \$12 million on a full fiscal year basis. Because the reduction is likely to occur through refunds, the impact is expected to be borne by the general fund.

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