

HOUSE BILL NO. 5731

May 15, 2024, Introduced by Reps. Neeley, Brenda Carter, Edwards, Dievendorf, Fitzgerald, O'Neal, McKinney, Steckloff, Price, Scott and Aiyash and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding section 272a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 272a. (1) Subject to the limitations under this section,
2 for tax years that begin on and after January 1, 2024, a qualified
3 taxpayer may claim a credit against the tax imposed by this part as
4 follows:

5 (a) \$5,000.00 for each qualified dependent of the taxpayer who
6 is 3 years of age or less on the last day of the tax year for which
7 the credit is claimed and for which an exemption was claimed under

1 section 30(2)(b) for that same tax year.

2 (b) \$2,500.00 for each qualified dependent of the taxpayer who
3 is over 3 years of age but 6 years of age or less on the last day
4 of the tax year for which the credit is claimed and for which an
5 exemption was claimed under section 30(2)(b) for that same tax
6 year.

7 (2) A taxpayer shall not claim a credit under this section for
8 more than 3 qualified dependents in a single tax year.

9 (3) If the credit allowed under this section exceeds the tax
10 liability of the taxpayer for the tax year, that portion of the
11 credit that exceeds the tax liability must be refunded.

12 (4) As used in this section:

13 (a) "Earned income" means that term as defined under section
14 32 of the internal revenue code.

15 (b) "Qualifying child" means that term as defined in section
16 152 of the internal revenue code.

17 (c) "Qualified dependent" means a dependent who is a
18 qualifying child.

19 (d) "Qualified taxpayer" means a taxpayer who has earned
20 income of at least \$10,000.00 for the tax year.