

SENATE BILL NO. 887

May 30, 2024, Introduced by Senator HERTEL and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1967 PA 281, entitled
"Income tax act of 1967,"
(MCL 206.1 to 206.847) by adding sections 279 and 679.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 279. (1) Subject to the limitations under this section,
2 for tax years beginning on and after January 1, 2024, a qualified
3 taxpayer that provides paid organ donation leave to an eligible
4 employee may claim a credit against the tax imposed under this part
5 in an amount equal to 100% of the wages paid to an eligible

1 employee during any period during which the eligible employee is on
2 organ donation leave. The maximum amount of organ donation leave
3 with respect to any eligible employee for which a credit may be
4 claimed under this section must not exceed 12 weeks. The credit
5 allowed under this section must be claimed for the tax year in
6 which the eligible employee completed use of the paid organ
7 donation leave, and for purposes of calculating the amount of the
8 credit, the qualified taxpayer may include wages paid during the
9 immediately preceding tax year.

10 (2) For a qualified taxpayer who is a member of a flow-through
11 entity that qualifies for the credit under this section, that
12 taxpayer may claim a credit against the member's tax liability
13 under this part based on the member's distributive share of
14 business income reported from that flow-through entity or an
15 alternative method approved by the department.

16 (3) If the credit allowed under this section for the tax year
17 and any unused carryforward of the credit allowed by this section
18 exceed the qualified taxpayer's tax liability for the tax year,
19 that portion that exceeds the tax liability for the tax year must
20 not be refunded but may be carried forward to offset tax liability
21 in subsequent tax years for 3 years or until used up, whichever
22 occurs first.

23 (4) As used in this section:

24 (a) "Eligible employee" means an employee who has provided the
25 employer with written physician verification that the employee is
26 an organ donor.

27 (b) "Organ donation leave" means that period of absence from
28 employment received by an eligible employee related to the organ
29 donation after all other leave benefits provided to that employee

1 have been exhausted. Organ donation leave may be used by an
2 eligible employee before, during, and after the organ donation.

3 (c) "Organ donor" means an individual who donates, in whole or
4 part, 1 or more of the individual's human organ to another
5 individual to be transplanted using a medical procedure to the body
6 of the other individual.

7 (d) "Qualified taxpayer" means a taxpayer that is an employer
8 that has a written policy offering eligible employees paid organ
9 donation leave that is in addition to any other paid leave benefits
10 policy provided to employees and the rate of payment under that
11 policy for paid organ donation leave is not less than 100% of the
12 wages normally paid to that same employee for services performed
13 for the employer.

14 (e) "Wages" means that term as defined in section 3306(b) of
15 the internal revenue code.

16 Sec. 679. (1) Subject to the limitations under this section,
17 for tax years beginning on and after January 1, 2024, a qualified
18 taxpayer that provides paid organ donation leave to an eligible
19 employee may claim a credit against the tax imposed under this part
20 in an amount equal to 100% of the wages paid to an eligible
21 employee during any period during which the eligible employee is on
22 organ donation leave. The maximum amount of organ donation leave
23 with respect to any eligible employee for which a credit may be
24 claimed under this section must not exceed 12 weeks. The credit
25 allowed under this section must be claimed for the tax year in
26 which the eligible employee completed use of the paid organ
27 donation leave, and for purposes of calculating the amount of the
28 credit, the qualified taxpayer may include wages paid during the
29 immediately preceding tax year.

1 (2) If the credit allowed under this section for the tax year
2 and any unused carryforward of the credit allowed by this section
3 exceed the qualified taxpayer's tax liability for the tax year,
4 that portion that exceeds the tax liability for the tax year must
5 not be refunded but may be carried forward to offset tax liability
6 in subsequent tax years for 3 years or until used up, whichever
7 occurs first.

8 (3) As used in this section:

9 (a) "Eligible employee" means an employee who has provided the
10 employer with written physician verification that the employee is
11 an organ donor.

12 (b) "Organ donation leave" means that period of absence from
13 employment received by an eligible employee related to the organ
14 donation after all other leave benefits provided to that employee
15 have been exhausted. Organ donation leave may be used by an
16 eligible employee before, during, and after the organ donation.

17 (c) "Organ donor" means an individual who donates, in whole or
18 part, 1 or more of the individual's human organ to another
19 individual to be transplanted using a medical procedure to the body
20 of the other individual.

21 (d) "Qualified taxpayer" means a taxpayer that is an employer
22 that has a written policy offering eligible employees paid organ
23 donation leave that is in addition to any other paid leave benefits
24 policy provided to employees and the rate of payment under that
25 policy for paid organ donation leave is not less than 100% of the
26 wages normally paid to that same employee for services performed
27 for the employer.

28 (e) "Wages" means that term as defined in section 3306(b) of
29 the internal revenue code.