

Legislative Analysis



PREGNANCY INCOME TAX EXEMPTION

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4202 as introduced
Sponsor: Rep. Gina Johnsen
Committee: Finance
Complete to 5-13-25

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

SUMMARY:

House Bill would amend the Income Tax Act to allow taxpayers who are at least 10 weeks pregnant on the last day of the tax year to claim an additional exemption on their state income taxes. To qualify for the additional exemption, the taxpayer would have to be under the care and observation of a *physician* since at least the tenth week of pregnancy and attach a medical statement that is signed and dated by the physician verifying the pregnancy (of at least 10 weeks) to their annual tax return.

Physician would mean an individual licensed to engage in the practice of medicine or the practice of osteopathic medicine and surgery under Article 15 of the Public Health Code.

For the 2025 tax year, the personal exemption allowed taxpayers to exclude \$5,800 from their taxable income per exemption claimed.¹ This amount is annually adjusted for inflation based on the Consumer Price Index. Exemptions can be claimed for each taxpayer, dependents, or under certain other circumstances.

MCL 206.30

BACKGROUND:

A similar bill, House Bill 4644, was passed by the House of Representatives during the 2021-22 legislative session. However, that bill required taxpayers to be at least 12 weeks pregnant to qualify for the additional exemption.²

FISCAL IMPACT:

Based on the average number of live births in Michigan (and adjusting for twins, triplets, etc.), assuming that they are evenly distributed throughout the year, and adjusting for taxpayers who would be unable to apply an additional exemption given existing taxable incomes, the bill would reduce income tax revenue by roughly \$8.0 to \$10.0 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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■ 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.

¹ <https://www.michigan.gov/taxes/business-taxes/withholding/calendar-year-tax-information>

² <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2021-HB-4644>